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Education and Advocacy: Creating a Culture of Competition

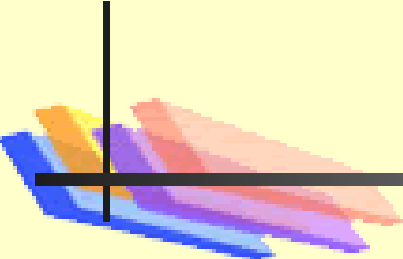
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EDUCATION AND ADVOCACY: CREATING A CULTURE OF COMPETITION

THE CASE OF CHILE



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INTRODUCTION

- The role of competition authorities: enforcement and advocacy.
- **Enforcement:** investigation and punishment of anticompetitive conducts.
 - Powers to investigate: confidentiality, request information, etc.
 - Sanctions: fines, imprisonment, corrective measures, injunctions.
- **Advocacy:** promotion of a competitive environment for economic activities by means of non/enforcement mechanisms (ICN).
 - Relationships with other governmental entities.
 - Increasing public awareness of the benefits of competition.



THE CHILEAN COMPETITION SYSTEM

- Law N° 13.305 of 1959. Antitrust Commission.
- Law N° 15.142 of 1963. National Economic Prosecutor.
- Decree Law N° 211 of 1973. Tripartite system:
 - **Preventive Commissions:** administrative bodies which responded to consultations regarding competition issues.
 - **Antitrust Commission:** judicial body which resolved competition conflicts.
 - **National Economic Prosecutor's Office:** agency which investigates and disciplines anticompetitive behaviors.



THE CHILEAN COMPETITION SYSTEM

Law N° 19.911 of 2004. Competition Tribunal.

- Replaces the Preventive and Antitrust Commissions.
- Mixed integration.
- Appointed through public processes.
- Terms of six years.
- Unremovable.
- Remunerated.
- Professional staff.



THE CHILEAN COMPETITION SYSTEM

Attributes of the Competition Tribunal:

- To resolve conflicts.
- To issue general rules.
- To propose to the President of the Republic the modification, approval or expiration of laws.
- To resolve non-contentious issues.
- To impose sanctions.

Competition authorities: Competition Tribunal and National Economic Prosecutor's Office.



ADVOCACY

1. Rules of promotion of competition in laws.
2. Competition advocacy through the decisions of the Preventive Commissions.
3. Competition advocacy through the decisions of the Antitrust Commission.
4. Diffusion of the Competition Policy of the National Economic Prosecutor's Office: creating a culture of competition.



ADVOCACY. RULES OF PROMOTION OF COMPETITION IN THE LAW

- Article 1° of Law 19.911. Objective of the Competition Law.
- Article 17° of Law 19.911. Powers of the Tribunal.
- Article 27° of Law 19.911. Powers of the National Economic Prosecutor's Office.
- Other laws: telecom law, electricity law, water law.



COMPETITION ADVOCACY THROUGH THE DECISIONS OF THE PREVENTIVE COMMISSIONS.

- Dictamen 995 of 1996. Waste market.
- Dictamen 1045 of 1998. Horizontal and vertical integration in Ports.
- Dictámenes 202, 277, 979, 1133, 1211, etc. Trade marks and parallel imports.

COMPETITION ADVOCACY THROUGH THE DECISIONS OF THE ANTITRUST COMMISSION.



TELECOMMUNICATION MARKET.

- Resolution N° 389. Long distance service.
- Resolutions N°s. 394, 515, 611, 686. Local fixed telephone service. Services given in conditions of monopoly.
- Resolution N° 584. Allocating of frequency bands of the spectrum to give wireless public telephone service.

ELECTRICITY MARKET

- Resolution N° 488. Vertical integration in the electricity market.
- Resolution N° 592. Electrical services given by the companies in monopoly conditions.

COMPETITION ADVOCACY THROUGH THE DECISIONS OF THE ANTITRUST COMMISSION.



PHARMACEUTICAL MARKET

- Resolution N° 634, of 2001. General instructions. Pharmaceutical production labs.
- Resolution N° 729, of 2004. Transparency in commercial conditions of pharmaceutical products.

FINANCIAL SERVICES OF DEPARTMENT/RETAIL STORES

- Resolution N° 656 of 2002 and Resolution N° 666 of 2002. General instructions. Financial conditions of credits given to the public.

NATIONAL ECONOMIC PROSECUTOR OFFICE: CREATING A CULTURE OF COMPETITION.



- Publishing decisions and rules.
- Holding press conferences.
- Competition Day.
- Speeches and publications.
- Issuing reports.