



CHALLENGES IN ASSESSING NON-PRICE EFFECTS IN MERGER ANALYSIS

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competition regulation for a growing and inclusive economy



competition commission
south africa

INTRODUCTION

- Structure of the South African economy pre - 1994
- Structure of the South African economy post - 1994
- Types of non-price competition
- Differentiated product markets v homogenous product markets

NON-PRICE COMPETITION - QUALITY

- **Healthcare Sector Mergers**

- Netcare Hospital Group and Lakeview Hospital Merger
- Netcare Hospital Group and Akeso Hospital Group Merger
- Mediclinic Hospital Group and Matlosana Medical Services Merger

- **Industrial Sector Mergers**

- Imerys South Africa and Andalusite Resources Merger
- Greif South Africa and Rheem South Africa Merger

CHALLENGES IN ASSESSING NON-PRICE COMPETITION

- Statutory timelines
- Omission of factors regarding non-price competition by merging parties
- Soliciting informative responses from customers of the merging parties
- Legal instruments allowing wider powers for document requests

TOOLS FOR ASSESSING NON-PRICE COMPETITION

- Detailed and informative responses from customers
- Internal strategic documents of the merging parties
- Independent reports on the market dynamics of particular sectors of the economy

NON-PRICE COMPETITION - INNOVATION

- Pioneer Hi-Bred International and Pannar Seed Merger
- Ex post merger analysis
- Considering the effects of the merger on in tandem with evidence on effects on price
- Weighing up evidence of the effects on innovation competition on the one hand, and technological improvements and efficiencies on the other



The End