
Competition policy in small and large economies - Danish experience

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Is competition weaker in smaller economies?

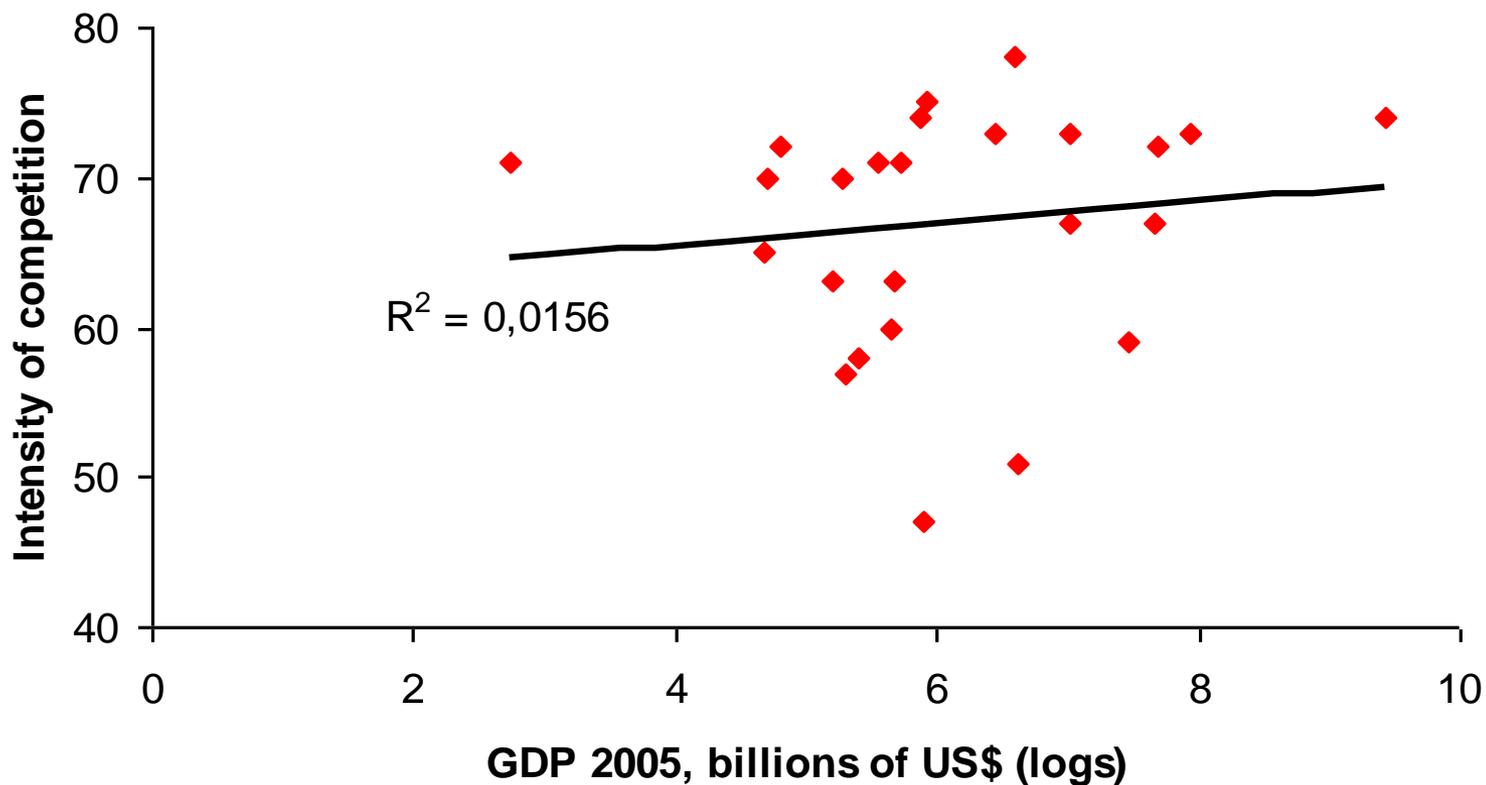
- Concentration is higher
- But what about import-corrected concentration?
- Is regulatory capture stronger in small economies?
- Are “national champions” believed to be important?
- Are industrial standards – eg in construction – national?
- Do consumers believe that imported goods are inferior?

International competition benchmark

		Efficient competition	Competition for public procurement	Intensity of local competition	Total competition indicator
		60 pct	15 pct	25 pct	100 pct
1	Australia	75	73	86	78
2	Belgium	73	63	86	75
3	United States	66	77	90	74
4	Sweden	72	72	79	74
5	Netherlands	72	61	84	73
6	Germany	69	61	89	73
7	Canada	74	55	81	73
8	United Kingdom	65	73	87	72
9	Czech Republic	73	65	74	72
10	Austria	71	47	83	71
11	Denmark	70	58	79	71
12	Iceland	74	50	74	71
13	New Zealand	66	68	83	70

		Efficient competition	Competition for public procurement	Intensity of local competition	Total competition indicator
		60 pct	15 pct	25 pct	100 pct
14	Finland	69	55	81	70
15	Spain	66	53	79	67
16	France	67	41	80	67
17	Hungary	65	42	79	65
18	Portugal	62	47	73	63
19	Norway	58	61	74	63
20	Poland	58	48	71	60
21	Italy	58	49	70	59
22	Greece	53	51	71	58
23	Ireland	55	41	73	57
24	Mexico	45	47	69	51
25	Switzerland	35	58	69	47

All countries included – logarithmic GDP



Can competition legislation be tougher in small economies?

- Practices and agreements (EU art 81): not practically possible
- Unilateral behaviour: possible
 - discriminatory rebates?
 - exclusionary behaviour?
 - transparency?
 - reporting requirements?

Merger control

- Low thresholds?
- A stringent use of the SIEC (oligopoly test)?

Resources

- Small economies should have well-staffed authorities

