

**Regional Workshop on Competition Law Enforcement for the
State of Qatar and the Gulf countries
16-18 April 2012, Doha - Qatar**

Distinguished Colleagues,

Dear Guests, Ladies and Gentlemen,

It is a great pleasure and honor for me to take part in the “Regional Workshop on Competition Law Enforcement for the State of Qatar and the Gulf countries”. On behalf of the Turkish Competition Authority, I would like to extend my special thanks to the State of Qatar for hosting this event.

This morning I will try to touch upon the “Regional Co-operation of Competition Authorities”. To do that I will especially refer to our own experiences at home, in Turkey!

But, first of all, let me start by pointing out how business is becoming increasingly globalised in today’s world. Competition law and policy constitutes a very important component of the global economy. Accordingly, there is a growth in the number of countries shifting towards more market oriented economies. Developing countries recognize more and more the potential benefits that can be derived from competition law enforcement in such market oriented economies. By all means, this tendency is also influencing the countries of the Gulf region!

Within this sphere, I also would like to underline that the globalization has extended the geographical reach of business transactions and the international impact of anti-competitive practices. International cartels

have been found to have negative impact on developing countries, while international mergers bring transaction costs. Given the global dimension of competition issues and the challenges arising from anti-competitive practices, “cooperation” becomes very important among the competition authorities around the world. A robust and effective cooperation among the countries, of course, necessitates the institutionalization of competition culture at the first place. Cooperation can take various forms as bilateral, multilateral and regional. For the sake of this Workshop and its participant countries, I want to touch upon the importance of regional cooperation. The need for regional cooperation in competition matters has been reflected in various fora such as SACU (South African Customs Union), COMESA, and the EU. Although one can argue that the expected benefits from a regional cooperation are hard to estimate, I believe there is a lot to gain from it.

Regional cooperation can be a tool especially for competition agencies of those countries sharing similar geography, culture and intent if they want to operate effectively in view of such political, economic and business trends. Nevertheless, competition agencies that become party to a regional cooperation shall recognize the strides in international cooperation. Agencies that belong to a regional cooperation should discuss what their goals and methods can be in the future for enhanced cooperation. Such cooperation should also seek to identify which actions are likely to be ‘quick wins’ and which may be medium or longer term goals. By this way, competition agencies can not only work on common legal regulations that would fit to their basic needs but also benefit from each other’s experiences.

Given the geographical and cultural proximity, I think Gulf region states would really benefit a lot from regional cooperation in the competition

law and policy sphere as well. In this regard, Gulf Cooperation Council (GCC) is an important regional organization working actively not only in political but also economic fields. The already existing regional cooperation under the GCC could further be elaborated for competition matters in a more extensive manner. But I would like to repeat once again that institutionalization of competition culture, backed with effective competition legislation and competition advocacy should be the starting point. This without doubt, would serve the betterment of economies in this region. I guess everybody in this room agrees that effective competition law and policy would benefit consumers while contributing to the competitiveness of the market operators.

To the best of my knowledge, most of the Gulf region countries like Bahrain, Kuwait, Oman and United Arab Emirates do not have a competition law yet, whereas Saudi Arabia, Qatar and Yemen are working to better their legislation in this area. Therefore, competition law and policy is a rather new policy area both for the governments and people of those countries. So I presume, awareness level among the general population is considerably low at this stage.

Indeed, in a similar fashion when the Competition Act was adopted in Turkey 17 years ago, there were very few people who knew about it. Likewise, when the Turkish Competition Authority (TCA) finally started its activities in 1997, the situation was not any better! But with the hard work and belief, we brought the TCA to its distinct place not only among the government institutions within Turkey but also in the international fora.

My dearest brothers and sisters, at this juncture, as the President of the TCA, I would like to share my agency's experiences with you. As some of

you probably know, at almost every opportunity, TCA underlines the importance of the development of social understanding and sensitivity to make the competition culture more visible in our country. From this viewpoint, we also would like to see that this belief disseminates among the Gulf region states. Our essential and primary work within the framework of the Competition Act and the relevant legislation has been carried out without any disruption over the years.

The TCA implements the Competition Act, which includes the basic legislative framework of competition rules in Turkey. In line with this, I would like to share some brief remarks on our enforcement practices in the last two years. Upon investigations conducted, the Competition Board took some important decisions in markets involving motor vehicles, road passenger transportation, air transportation, medical and industrial gas, banks, daily newspaper advertising space, GSM services, consumer electronics, and beer etc. Actually, the level of fines, imposed based on turnovers of those undertakings and associations of undertakings violating the primary articles in the Competition Act, in 2011 illustrates a great increase compared to 2010. The total amount of fines in 2011 is around \$ 258 million compared to \$ 22 million in 2010, representing approximately 12-fold increase.

In addition to enforcement of the competition rules, we also conduct advocacy work. In this respect, we have published numerous books especially post-graduate theses on competition law and economics. We have organized national and international meetings addressing various aspects of competition law and policy. On behalf of the TCA, I personally wrote annual competition letters to draw the attention of various stakeholders to matters on competition. Moreover, we prepared training programs for the businesses, students, the Bar associations, and

universities. About a month ago, on the occasion of the 15th anniversary of its establishment, the TCA organized a meeting, which was opened by the Prime Minister of Turkey, Recep Tayyip ERDOGAN. During this meeting we announced the Competition Report which puts certain sectors under evaluation. This Report evaluates eleven prominent sectors such as electricity, natural gas, air transport, banking, pharmaceuticals, fast moving consumer goods with an aim to identify competitive situations of those sectors. The Report would like to bring forward behavioral, structural and legal challenges lying ahead of these sectors for the sake of a more competitive environment for the decision makers.

I want to emphasize that those kinds of advocacy work are crucial elements of the competition law and policy framework in a country and effectively complement the enforcement activities of the competition agencies.

At this point, I also would like to say a few words on “cooperation efforts” of Turkey in the international arena. Firstly, the TCA has established good relations with other international agencies and organisations. To give you some examples, we hosted the 9th Annual ICN Conference in Istanbul in 2010, which more than 500 delegates attended. We also hosted the 5th UNCTAD Conference on Competition Policy in Antalya in 2005. This was the first-ever UN conference dedicated to competition law to be held outside Geneva. We are also attending the OECD meetings. Last year we have initiated a new technical assistance project for the Organisation of Islamic Cooperation (OIC). So far we have signed ten memorandums of understanding with foreign agencies, which are working well. Additionally, Turkey is a candidate country to the European Union (EU). Full membership to the EU is the strategic

objective for Turkey. Therefore, Turkey attaches great importance to the negotiation process that would eventually pave the way to its full membership.

The developments regarding Competition Policy Chapter where significant progress has been achieved from the standpoint of Turkey, can be considered as an example of regional cooperation in this policy area. I believe that when Turkey becomes a full member of the EU, it will have a positive effect on our competition law. It will strengthen the TCA by letting us work more closely with the European Commission. For example, we would be part of the European Competition Network (ECN). We would be able to sit with our European colleagues and discuss competition law matters and exchange ideas. It's currently not easy for us to deal with cross-border infringements involving EU countries. We do have a Customs Union, but it is not sufficient to deal with cross border infringements. We continue to discuss international cooperation at several forums including the ICN. But at the ECN there is a system that we would be part of and it would for sure help strengthen the TCA.

Although not regional, I want to especially talk about our recent project on OIC too. OIC is an inter-governmental organization with its 57 member states across four continents. I am proud to see that all Gulf region countries attending this meeting are also members of the OIC. OIC is the collective voice of the Muslim world with an aim to safeguard and protect the interests of its member states in the spirit of promoting international peace and harmony around the world. Thus, the TCA aims to share the Turkish experience to the extent possible with the interested agencies and/or bodies responsible from the competition law and policy in order to uplift the development level of our brotherly agencies. With

this in mind, as the President of the TCA, I believe that our ultimate aim as members of “OIC” should be to contribute to improvement of competition law and policy. To this end, last year in November we hosted a Needs Assessment Conference in Istanbul.

Let me tell you briefly what we have done in advance of this Conference. As a kick off, the TCA in coordination with the Islamic Center for Development of Trade prepared and submitted a project profile form for a Technical Assistance Project.

As a first stage of this Technical Assistance Project, we organized the above mentioned two-day conference in Istanbul to discuss the needs of the OIC member states. Istanbul Conference was attended by more than 50 representatives from 32 states¹ including Gulf region states like Qatar and Yemen. Moreover, there were representatives of observer states as well as the representatives of Islamic Center for Development of Trade; Coordination Office of the Committee for Economic and Commercial Cooperation; Islamic Development Bank; Statistical, Economic and Social Research and Training Center for Islamic Countries and invited speakers.

As underlined during this Conference; challenges and needs are identified mainly in the following areas:

- Legislation
- Institutional Structure
- Relations between Sectoral Regulators and Competition Agencies
- Advocacy

¹ OIC Member States: Afghanistan, Albania, Algeria, Azerbaijan, Benin, Burkina Faso, Cameroon, Egypt, Gambia, Indonesia, Iran, Iraq, Jordan, Kazakhstan, Kyrgyzstan, Malaysia, Morocco, Pakistan, Qatar, Senegal, Sierra Leone, State of Palestine, Sudan, Syria, Tunisia, Turkey, Uzbekistan, Yemen; OIC Observer States: Bosnia and Herzegovina, Russian Federation, Turkish Cypriot State; Special Guest: Kosovo.

- The Need for International Cooperation

The ultimate aim of this Technical Assistance Project is to meet the common expectations of our brotherhood. We believe that this Project will become meaningful if it is based on our mutual discussions. Therefore, I would be glad to hear your ideas, proposals, expectations and challenges that you face in your home countries in the Gulf region while I am here. This, I believe would be invaluable for us while formulating our Project addressing the real needs under the OIC roof.

Let me express once more that our partnership under the OIC roof would be very valuable for all of us. The TCA, since its establishment, has attached great importance to international cooperation at multilateral and bilateral levels. I can tell you that there is much to benefit from cooperation, whatever its form is, since cooperation would offer important opportunities for us all!

As a final remark, I want to thank the UNCTAD Secretariat and the State of Qatar for extending their kind invitation for this important event in Doha.

I wish you a fruitful discussion.

Thank you.