

Practical Challenges in Cartel Investigations at times of Covid-19

March 23, 2021

Esin AYGÜN

Acting Head of
Supervision

And Enforcement
Department- V

**Turkish Competition
Authority**

Outline of the Presentation

- 1) How did TCA work during Covid 19 outbreak?
- 2) What are the outstanding cases of TCA?
- 3) Covid-19 Considerations
- 4) How is the cooperation between TCA and other public authorities regarding the price increases during Covid 19 outbreak?
- 5) Other Developments.
- 6) What did TCA do in terms of competition advocacy?

How did TCA work during Covid 19 outbreak?

- TCA took actions against pandemic both during remote working (15 March 2020-01 June 2020) and normalization periods that started on 01 June 2020.
- With the outbreak of the Covid-19 period in Turkey, on 25.03.2020 TCA has released a statement to the public that all excessive price increases in all sectors -especially in fresh fruits and vegetables- will be monitored by TCA and might be punished by the law. Moreover, the Authority started inquiries about price increases and certain market failures in the supply chain with the beginning of Covid-19 outbreak.
- With the normalization period, postponed and other dawn-raids has been conducted.
- During both periods, Turkish Competition Board (Board) has continued to convene once a week to discuss the merger applications and other antitrust issues.
- Besides, all oral hearings of the investigations have been postponed from June 2020 to November 2020.
- Still most of the meetings with the undertakings are being held via teleconference tools.

What are the outstanding cases of TCA?

- The initiated investigations are as follows:
 - An investigation has been initiated concerning 29 undertakings including **supermarket chains**.
 - An investigation concerning several undertakings engaged in production of **medical and protective masks**
 - An investigation process is initiated against 6 undertakings operating in the production of **mask fabric**
 - **A preliminary inquiry on the purchase prices of raw honey**
 - **An investigation on the brand new and 2nd hand cars**
 - An investigation on **lemon** industry

Each of these investigations are at different stages and are expected to be resulted in year 2021.

Covid-19 Considerations

- Impact of covid-19 considerations on planning: duration, size of team, number of targets etc.
- Use of health-related measures to protect inspection team and employees of the inspected firms (gloves, masks, hand sanitizers, disinfectants): also for employees of the inspected firms
- What health-related measures were taken in the paper search and digital search? (Gloves, distancing, cleaning of devices after handling etc)
- Alternative to the use of public transportation: taxi, car rentals etc
- Covid-19 related objections, What kind of initial reactions?
- Dealing with employees not present in the offices

How is the cooperation between TCA and other public authorities regarding the price increases during Covid 19 outbreak?

- TCA's scope of authority covers protection of competition in the markets. In this regard, the Board has a legal power to impose fines following an investigation concerning exploitative prices by means of agreements between competitors or abuse of dominant position according to respectively Article 4 and Article 6 of the Act no 4054.
- Consumer protection and unfair trading practices are overseen by other public authorities.
- TCA collaborates with consumer protection agency (Directorate General of Consumer Protection and Market Surveillance) and Unfair Price Assessment Board for consumer protection on issues raised by the coronavirus, such as price gouging and deceptive pricing.
- Unfair Price Assessment Board was established to operate during states of emergency, disasters and economic fluctuations and other emergency conditions on May 2020.
- In case another regulatory authority is also in charge for the case submitted to the Board, referral may be made or the solution of the subject may be left to the regulator authority.

Other Developments

- Measures were taken in our country regarding the production, supply and use of **medical and protective facial masks**.
- Another investigation initiated against 6 enterprises operating in the production of mask fabric and it is still ongoing
- The export of medical and protective masks became subject to the prior authorization.
- A measure was taken to enable the sale of surgical masks in retail sale points.
- It was decided that the **maximum price** of surgical masks would be 1 TL
- Regarding the increase in prices of automobiles and real estates, many complaints were submitted, but no further inquiry commenced related to these complaints.
- A **sector inquiry** regarding e-marketplace platforms after the Covid-19 outbreak period.
- Regarding legislation for Covid-19 pandemic; no legislation issued but TCA has **tried to shorten** the period of some investigations to quickly intervene against price increases during Covid-19 outbreak. With the changes made in the competition law (Not relevant with Covid 19 pandemic), a step further was taken in the examination of digital data, so TCA has improved the technical infrastructure in this regard.

What did TCA do in terms of competition advocacy?

- In terms of competition advocacy,
 - At the beginning of June 2020 and at the mid-December 2020, two ICF webinars is held by Istanbul Competition Forum with the participation of OECD and UNCTAD.
 - Internship programmes have been postponed due to Covid-19 pandemic gathering restrictions.
 - TCA has created its official YouTube channel where videos on general competition issues are shared.



Practical Challenges in Cartel Investigations at times of Covid-19

March 23, 2021

Esin AYGÜN

e-mail:

esinaygun@rekabet.gov.tr