Living with Cross-border Competition Challenges in the Absence of Global Competition Rules

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Abstract: Due to progressive liberalisation of trade and investment regimes, the international dimensions of competition challenges are becoming more prominent. Tackling these cross-border challenges is indeed a difficult task. In this context, the setting up of a global competition agency could possibly be the best solution, though this may turn out to be a Utopian idea given the existing global geo-political situation. Thus, the international community has had to be content with second best solutions like co-operation. The discussions on competition policy at the WTO were intended, among other things, to create a forum for cooperation. However, in view of the failure of the Cancun Ministerial Conference, it is unlikely that the WTO would get a competition framework in near future. Nevertheless, there are several other forums/channels through which international cooperation on competition can be promoted. Bilateral tracks, regional bodies and global bodies like, UNCTAD, OECD, ICN (International Competition Network), and INCSOC (International Network of Civil Society Organisations on Competition) hold significant potential in this regard.

1. Introduction

As trade and investment regimes are liberalised in most developing countries, the inflow of foreign products and companies creates new challenges. While domestic markets are regulated by governments through various measures, including a competition regime, there is hardly any mechanism for regulating the international market. Hence, the international dimensions of competition challenges are becoming more prominent. Trans-national corporations (TNCs) have entered developing country markets or increased their activity within these countries. The entering of TNCs can have many positive effects on developing countries' economies. It can bring in much needed investments and thus help the development of a country.

At the same time there is a serious concern among these nations that competition would suffer because of the entry of TNCs. Their ability to deal with cross-border competition problems is therefore of vital importance to the level of competition in their domestic markets. The TNCs feel more free to engage in across-the-border anti-competitive behaviour when the countries to which they export do not have an effective competition regime and can neither individually nor through cooperation with foreign competition authorities challenge their market behaviour.[1] A recent study on the infamous vitamins cartel has validated this as it was found that the extent of overcharges by the cartel was relatively more in countries without any anti-cartel enforcement.[2]

[1] See Jenny, Frederic (2000). Globalisation, Competition and Trade Policy: Convergence, Divergence and Cooperation (Paper presented at the WTO Regional Workshop on Competition Policy, Economic Development and the Multilateral Trading System: Overview of the Issues and Options for the Future, Phuket, Thailand, July 6-8.

[2] Clarke, J. and Evenett, S. J (2002), The Deterrent Effects of National Anti-Cartel Laws: Evidence from the International Vitamins Cartel, World Trade Institute.

The process of trade liberalisation is often accompanied by the privatisation of public monopolies, especially in the utilities sector such as telecommunications, energy and public transport. Although this can possibly lead to an increase in competition as well as improved performance standards, often it has meant that public monopolies turn into private monopolies. In many cases, such monopolies have fallen in the hands of foreign-based TNCs. This in itself is not more detrimental to competition in a particular market than if the monopoly were held by a domestic private enterprise. But it could cause further complications in enforcing a competition policy and law vis-à-vis that particular sector/enterprise.

How do competition authorities in developing countries deal with these cross-border (international) challenges? This is clearly a difficult task. As Karel van Miert, former EU Competition Commissioner, observed, national or even regional authorities are ill-equipped to grapple with the problems posed by commercial behaviour occurring beyond their borders.[3] When competition authorities from highly developed countries/organisations like the European Union face difficulties in handling cases with a cross-border dimension, it is clear that the authorities in developing countries face even more problems.

2. Types of Cross-border Competition Cases

The types of cross-border anti-competitive practices are quite similar to those in purely domestic cases. The difference only lies in the cross-border (international) dimension of the anti-competitive behaviour. A number of areas where enterprise behaviour is perceived to give rise to competition concerns with international dimensions are discussed here. Following are few of the reasons that call for a global initiative on competition policy.

- Market Access
- International Cartels
- Export Cartels
- M&As with international spillovers
- Abusive Practices by TNCs in Small/Developing Economies

Market Access

The anti-competitive entry-restrictions in foreign markets is a major perturbation in the world trading system as it negates the basic objective of free trade as envisaged by the Uruguay Round outcome. A market access protocol promises not only to regularise and institutionalise the means to eliminate improper private restraints, but also to narrow the occasions both for extraterritorial competition action and for the use of antidumping laws. In the times to come, the problems of market will surely intensify, and the line between public and private restraints will be increasingly blurred.

[3] Jones and Sufrin, *EC Competition Law*, Oxford (2001), page 1040.

The issue has already come up before the WTO in the form of the famous *Kodak-Fuji* case. The dispute was between Japan and the US, where it was alleged that Fuji effectively prevented Kodak's exports to Japanese market by controlling the distribution channel.

International Cartels

There has been a sharp increase recently in global cartel activity. Consumers either directly or indirectly bear the cost of this unlawful conduct in higher prices and reduced choice. Simultaneously, enforcement agencies in rich countries have slapped multi-million dollar fines against vitamin companies, food additive makers, steel manufacturers etc. To date only a handful of countries have taken action to penalise transgressing companies or to recover compensation. No developing country, except Brazil, has taken any action on these cartels.

A World Bank study has shown that in 1997, developing countries imported $81.1bn of goods from industries in which price-fixing conspiracies have been discovered during the 1990s. These imports represented 6.7 percent of imports and 1.2 percent of GDP in developing countries. There might have been several other price-fixing conspiracies, which remained undiscovered. Moreover, all of these cartels are made up of producers, who are mostly from industrialised OECD countries.[4]

But this is just one side of the story. Cartelisation is not only about some loss in consumer welfare. It hampers the development of developing countries and growth of their firms through several ways. It has been observed that producers of raw materials and capital good are more prone to cartelisation as the goods produced by them are more homogenous in nature compared to consumer goods, which are more differentiated. The infamous vitamins cartel is a glaring example. This directly affects the firms of developing countries.

Similarly, many developing countries became victims in the flat-rolled steel and heavy electrical equipments cartels. India has significant production capacity of flat-rolled steel but its producers were not part of the global cartel and they were sufficiently punished for that especially at the time of global recession in the sector. India also paid higher prices for some steel products for which it did not have indigenous capacity, when global business in the industry was rather buoyant. Steel being one of the basic goods for different industries and most developing countries, being in lack of indigenous capacity, had to suffer because of high prices.

Heavy electrical equipment is another item that almost all developing countries require to install electricity generation plants to meet their growing energy demand. But higher prices of heavy electrical equipments have significantly raised the cost of installing electricity generating plants and thereby making energy more expensive. Needless to mention this has adversely affected the competitiveness of developing countries. The cartel members also used their excess profits to engage in predatory pricing against

[4] Levenstein & Suslow, 2001, *Private International Cartels and their Effect on Developing Countries* (Background Paper for the World Bank's World Development Report 2001, 9 January 2001)

newcomers, particularly from developing countries. For example, predatory pricing drove the independent local manufacturers in Brazil to bankruptcy.[5]

Export Cartels

The limitation of competition laws, as a result of their domestic reach, is evident in the case of export cartels where, absent an effect on the exporting country, its competition authority may have no jurisdiction to control such cartels. Developed countries have generally ignored or often even encouraged export cartels whose activities affect other countries. Developing countries have found it difficult to cope with these, and the cooperation of the developed countries in investigating and discovering such practices has been lacking.

Export cartels have been exempted from control in some countries. For instance, the US Foreign Trade Antitrust Improvements Act of 1982 provided that foreign firms and consumers cannot invoke US law against US firms for acts that lessen competition only in foreign countries. On the other hand, the Export Trading Company Act of 1982 establishes a procedure for US exporters to obtain a limited immunity from the US antitrust laws for export acts and collaborations, as long as they do not distort competition in the US.

A case of India would be illustrative in explaining how difficult it is to tackle an export cartel that operates from a developed country. When the American soda ash cartel, ANSAC was stopped from doing business in India, they adopted various unfair means to push their case. For example, they lobbied to get import duties reduced from 35% to 25%. Even when that did not work, they lobbied to get GSP privileges withdrawn from exports of engineering goods from India. In a later development, the Supreme Court of India stayed the decision of the Indian competition authority, MRTP Commission, stating that the law does not give such powers to the competition authority to prosecute cartels, from across the border.[6]

M&As with international spillovers

The increasing rate of mergers in the world market is becoming a major cause of concern for competition authorities the world over. When there is a merger between two or more worldwide dominant firms in a global market, a competition concern may arise in all markets where these firms conduct business. In other words, even if the merging entities are located in the same country, the effects of possible dominance are not limited to this country alone, but may occur in all countries where these firms conduct business.

Similarly, the regulation of such mergers also has international spillovers, as different regimes view mergers with different approaches. Furthermore, competition authorities of

[5] CUTS, 2003, *Pulling Up Our Socks: A Study of Competition Regimes of Seven Developing Countries of Africa and Asia. Final Report of the 7-Up project*, CUTS, Jaipur, India

[6] CUTS, 2003, *Pulling Up Our Socks: A Study of Competition Regimes of Seven Developing Countries of Africa and Asia. Final Report of the 7-Up project*, CUTS, Jaipur, India

all the affected countries may have jurisdiction according to the 'effects doctrine'. This will give rise to multiplicity of jurisdictions, which again is one of the main issues in international economic relations. For example, the Gillette-Wilkinson Merger had to be cleared by 14 separate competition authorities.

In the not so distant past, differing decisions in the GE-Honeywell merger case led to a spat between the US and the EU who, otherwise, have been in a co-operative mode for quite some time in the area of competition policy enforcement. The conflict has now been resolved to a great extent. They have agreed, in principle, for simultaneous review of mergers, so that the merging companies do not have to face uncertainties in one jurisdiction, after getting clearance in another. What is missing is that such a co-operative effort does not include developing and other countries where the merging firms operate. Often, merger of parent bodies leads to an absolute dominance in a developing country, when their subsidiaries also merge. Because the market is either small, or in the past only few foreign companies operated. A multilateral arrangement in this area may be helpful in protecting the interests of developing countries.

Abusive Practices by TNCs in Small/Developing Economies

This is a serious problem for the developing and, more specifically for the least developed countries. Very often they become the targets of anti-competitive and unfair practices perpetrated by the TNCs operating from other countries. The ability of these countries to take adequate measures is severely restricted by the small size of their markets, which means not many companies are interested in these markets leading to very low market contestability.

Microsoft is a case in point. The company has been hauled up for indulging in anti-competitive practices time and again in the US and the EU. But, by and large, it has not faced such action in other jurisdictions. On the face of it, it is quite clear that some of them were relevant for other countries as well. Moreover, it is difficult to believe that a globally dominant company like Microsoft did not indulge in such practices elsewhere, particularly when the regulatory framework in most other jurisdictions is much weaker.[7]

Dominance of foreign companies is very often the hard reality in small economies. For example, in the small country of Bhutan, 80 per cent of the goods sold in the market is imported, mostly from India. The ability of the Bhutan Government to take any action against an Indian supplier indulging in unfair practices is restricted as the refusal to deal by the Indian company may prove disastrous for the country as there may not be other companies interested in doing business in Bhutan immediately. The only option before them is to make a request to the Indian authorities.[8]

3. Problems in Dealing with Cross-border Cases

[7] CUTS, 2003, *Pulling Up Our Socks: A Study of Competition Regimes of Seven Developing Countries of Africa and Asia. Final Report of the 7-Up project*, CUTS, Jaipur, India

[8] CUTS, 2003, *Approaches to Competition Policy in South Asian Countries*, CUTS, Jaipur, India.

All the problems encountered by the competition authorities (CAs) in handling domestic competition cases are also applicable in their handling of cross-border competition cases. But they encounter some additional problems while dealing with cross-border cases. There are large differences among the countries on how (or whether) the cases were handled by the competition authorities. Whereas some authorities handled some of the cases very seriously (regardless of whether they were successful in the end), others have not acted at all or only with limited interest or only in few of the cases. Although several problems are caused by the special nature of such cases, sometimes the authorities' own lack of action or interest is also an important factor.

Broadly, competition laws everywhere (including developing countries) deal with three main subject areas: (i) restrictive trade (business) practices; (ii) abuse of dominance or monopoly power; and (iii) mergers and acquisitions. There is no difference whether these acts are international or domestic; as a matter of subject the law covers them. The most important legal problem, when it comes to dealing with cross-border issues vis-à-vis domestic competition concerns, lies in the realm of 'jurisdiction'.

3.1 Extra-territorial jurisdiction

The whole question of jurisdiction is complex. Jurisdiction is a vital and indeed central feature of state sovereignty. It follows from the nature of the sovereignty of states that while a state is supreme internally, that is within its own territorial frontiers, it must not intervene in the domestic affairs of another nation. International law tries to set down rules dealing with the limits of a state's exercise of governmental functions. Although the expanding scope of the United Nations has limited the extent of the doctrine of domestic jurisdiction,[9] the concept does retain validity in recognising the basic fact that state sovereignty within its own territorial limits is the undeniable foundation of international law as it has evolved, and of the world political and legal system.[10]

Although there is a general presumption against the extra-territorial application of legislation, a number of states, particularly the United States, seek to apply their laws outside their territory in the context of economic issues. On the basis of the so-called 'effects doctrine' they have assumed jurisdiction even though all the conduct complained of takes place in another state.

Although the 'effects doctrine' could theoretically be applied to all kinds of activities, it has been most energetically maintained in the area of antitrust or competition regulation, particularly by the United States. In the famous *Alcoa* case[11] the US Supreme Court declared that 'any state may impose liabilities, even upon persons not within its allegiance,

[9] This is mainly because, for instance, humanitarian concerns are increasingly prevailing over the respect for each nation's right to manage or mismanage its affairs and its subjects. Also see e.g. R. Higgins, *The Development of International Law Through the Political Organs of the United Nations*, Oxford, 1963.
[10] Malcolm N. Shaw, *International Law*, fourth edition, Grotius Cambridge University Press, page 455.
[11] *United States v. Aluminium Co. of America,* 148 F.2nd 416 (1945).

for the conduct outside its borders that has consequences within its borders which the state reprehends'.[12]

The wide-ranging nature of this concept aroused considerable opposition outside the US, as did American attempts to take evidence abroad under very broad pre-trial discovery provisions in US law.[13] Especially the European Community has taken a strong stance against the US approach.[14] However, it is generally accepted now that the Community competition law subscribes to an 'effects doctrine' for determining the reach of Articles 81 and 82. Under this 'effects doctrine', judicial jurisdiction exists to apply Community competition law to restraints or abuses of dominant positions occurring outside the EU, provided that there are effects within the EU between Member States.[15]

4. The Way Ahead

Whether to deal with anti-competitive practices that occur at national level or that have international dimensions, having a strong and well-oiled competition regime is the bare minimum. This requires that CAs in developing countries must have adequate funds and a group of competition law enforcement officials who are technically competent. But, unfortunately, both funds and such competent professionals are in extremely short supply in these countries. One alternative frequently suggested to overcome such shortcomings is to adopt a regional approach to competition enforcement. Pooling of resources can indeed be beneficial in this regard. Such an approach for the small countries has been recognised even in the UNCTAD Set. In this regard, the example of CARICOM (Caribbean Community) arrangements is frequently quoted as a model to follow.

However, a strong competition regime at national levels may not be enough to tackle the cross-border anti-competitive practices that are affecting developing countries. Indeed it would be a good idea to have provisions for extra-territorial jurisdiction on the basis of the 'effects doctrine' to legally empower the CAs to deal with such cases. However, most of developing countries do not have enough muscle to actually enforce such provisions. Therefore, there are some *prima facie* arguments to suggest that multilateral discipline can help the weaker nations too. In this context, the setting up of a global competition agency could possibly be the best solution. However, this may be a utopian idea given the existing geo-political situation.

The need for a multilateral approach to competition policy was recognized even in the Havana Charter, which unsuccessfully tried to set up an International Trade Organisation just after the World War II. The General Agreement on Tariffs and Trade (GATT), which emerged instead, was based on the Havana Charter. Yet competition issues took a

[12] Ibid., page 443.
[13] See e.g. the statement of the UK Attorney-General that 'the wide investigating procedures under the United States' antitrust legislation against persons outside the United States who are not United States citizens constitute an 'extra-territorial' infringement of the proper jurisdiction and sovereignty of the United Kingdom', *Rio Tinto Zinc v. Westinghouse Electric Corporation* [1978] 2WLR 81; 73 ILR, page 296.
[14] This stance has mainly been against other extra-territorial extension of US laws such as the Helms-Burton Act.
[15] http://www.antitrust.de/kartellrecht.htm

backseat. The issues came up for discussions at multilateral fora, time and again and eventually the 'Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices' was adopted in 1980 under the auspices of UNCTAD.

The issues pertaining to competition and measures to deal with restrictive business practices were raised in the Uruguay Round negotiations and finally entered the WTO arena through the Singapore Ministerial Declaration in 1995. However, five years after its introduction, WTO Members have recognised the case for competition policy at the WTO. Many countries are still sceptical about the benefits and rationale of such an agreement. The main objection of developing countries, in this regard, is that they do not have adequate experience.

However, there is much uncertainty regarding the final adoption of a multilateral instrument on competition policy at the WTO, especially after the failed Ministerial Conference at Cancun earlier this year. People also question whether the proposed agreement would have the desired effectiveness even if it is finally signed. Firstly, because there is no proposal to have binding global rules and the proposed commitment for cooperation is only voluntary. Secondly, even if the agreement is signed it will be as an outcome of power politics and may lack the mutual trust among nations that is the primary requirement for meaningful cooperation to tackle the cross-border competition issues. Thus parallel initiatives are urgently required to curb anti-competitive practices of international dimensions

4.1 Bilateral and tripartite tracks

The US, European Union (EU) and Canada have signed a number of bilateral agreements with other countries to cooperate in the area of application of competition law. While the US has signed such agreements with Australia, Brazil, Canada, Germany, Israel, Japan and Mexico, the EU has concluded such agreements with Canada. Similarly, Canada has signed bilateral agreements with Chile and Mexico. It has also entered into a tripartite cooperation agreement with Australia and New Zealand. Similarly, there is a tripartite agreement among Denmark, Norway and Iceland. France has an agreement with Germany. China has bilateral agreements with Russia and Kazakhstan. Taiwan has such agreements with Australia and New Zealand. Papua New Guinea has an agreement with Australia. It makes tremendous sense, as it is heavily dependent on its trade with Australia.

4.2. Regional Approach

As mentioned before, there is a strong case for establishing a regional competition authority by pooling resources and expertise. But this approach can also be of immense help in tackling cross-border competition problems as very often they are more pronounced among neighbouring countries. The case for a regional competition authority or at least adequate measures to cross-border anti-competitive practices within a region has been recognised in most regional economic integration arrangements. However, in

most regions, no substantive progress has been made.

Such cooperation and pooling of resources become all the more important if smaller economies would like to be able to tackle the mighty TNCs or global 'mega-cartels'. Small countries are not adequately capable on their own to take action in such situations. If countries with a small market want to take action against the big TNCs, they might blackmail by threatening to pull out of the country or the market. This is also because each competition authority has to conduct its own investigation to detect and prove the violation of the relevant laws and calculate the extent of damage. Resource constrained small economies will not be able to do this alone.

A comprehensive regional approach to competition policy was first adopted by the EU and then by CARICOM. Such an approach is at various stages of discussion/adoption in many other regional groupings like Mercosur, COMESA (Common Market for Eastern and Southern Africa), SADC (Southern African Development Community), EAC (East African Community), CEMAC (Economic and Monetary Community of Central Africa) etc. All of them need to accelerate their efforts in this regard.

4.3 Global Initiatives

Over the last few years, several global initiatives have been taken up to deal competition problems, especially those that have international dimensions. Some are by government or government agencies while others are at non-governmental level. None of them are of course to seal with competition-related international disputes, but to promote cooperation. However, if cooperation and coordination could be promoted in an appropriate manner, then international competition disputes can be avoided or even resolved.

However, considering that there exist a number of forums at the global level, it is imperative that proper coordination among them is maintained. Failure to do so may create confusion and may even add to the problems surrounding competition issues with international dimensions. However, it may be noted that multiple forums are not necessarily bad as, collectively, they might bring a balance in the system. The following paragraphs give brief outlines of the existing global initiatives which may be strengthened to tackle the competition challenges with international dimensions.

4.3.1 UNCTAD

In December 1980, the UN General Assembly adopted by resolution a Set of Multilaterally Equitable Agreed Principles and Rules for the Control of Restrictive Business Practices. (Popularly called as the Set). This was the first successful attempt at multilaterising competition policy. Even though the Set is not binding on the UN member countries, the importance of the Set and the UNCTAD in this area of work should not be underestimated. The 1990 review conference indicated a high degree of consensus on the contributions of the Set and on UNCTAD's role.

The Set is particularly important for a number of reasons:

- Involvement: it has been developed in consultation between developed and developing countries.

- Legitimacy: the involvement of both countries of the north and the south countries has given the Set legitimacy in both camps.

- Neutrality: the Set gives developing countries a viable route towards the development of competition law that is not tainted by the charge of interference by developed nations.

UNCTAD has become very active in providing technical assistance to developing countries. For example, it is widely acknowledged that the Monopoly Regulation and Fair Trade Act of South Korea was a direct fall out of the adoption of the Set. The example of South Korea is not unique. Many African countries including Ghana, Kenya, Nigeria and Zambia have sought UNCTAD help in creating of competition policies. Peru, Sri Lanka, the Philippines, Colombia, Venezuela and Chile have all either received UNCTAD support or have directly adopted elements of the Set into their own competition laws. Given its history and non-controversial image, UNCTAD can become an effective forum for promoting cooperation on competition issues among the nations.

4.3.2 OECD's Global Forum

The OECD is an influential organisation with 30 member states, the rich countries of the world. It has a standing committee on Competition Policy and Law, which has its regular 30 member countries as members, other than five observers, Argentina, Brazil, Israel, Lithuania and Russia.

The OECD has been regularly cooperating with a variety of non-OECD countries to provide capacity building. With the advent of the OECD's Global Forum on Competition, it claims, its cooperation with non-OECD countries will extend beyond capacity building to include high-level policy dialogue to build mutual understanding, identify 'best practices', and provide informal advice and feedback on the entire range of competition policy issues. The forum can also be used to promote cooperation among countries. In this regard, OECD needs to reinforce its interface with developing countries which at present is at the minimum.

4.3.3 International Competition Network

The concept for International Competition Network (ICN) has evolved from the recommendations of the International Competition Policy Advisory Committee (ICPAC), a group formed in 1997 by the U.S. Antitrust Division. ICPAC was commissioned to think broadly about international competition in the context of economic globalisation and focused on issues like multi-jurisdictional merger review, the interface between trade and competition, and the future direction for cooperation among competition agencies.

ICN is intended to encourage the dissemination of competition experience and best practices, promote the advocacy role of competition agencies and seek to facilitate international cooperation. ICN is not intended to replace or coordinate the work of other organisations. Nor will it exercise any rule-making function. However, it can work as an informal platform for promoting cooperation and exchange of information among the CAs.

4.3.4 Track-II Initiatives

In most jurisdictions, consumer organizations are nearly absent in competition policy discourse or its implementation. This is despite the fact that the primary objective of competition law in all jurisdictions is to protect and promote both economic and consumer interests. Other civil society organizations (CSOs) have not been too enthusiastic about competition issues either. However, recently there has been much curiosity on the issue among the CSOs, due its inclusion in the WTO discussions.

However, things are changing. The recent announcement of Mario Monti, the EU Competition Commissioner, to involve European consumer groups in the competition enforcement process is a pointer. He has also promised to provide financial support for such groups, if they require it. Monti's announcement should be an eye opener for many other competition authorities, especially in developing countries.

In the changing scenario, when the corporations are getting more global in nature and anti-competitive practices are also more global, there has to be consumer-oriented competition advocacy at the global level. However, it needs to be recognised that the consumer movement itself is not so strong in many countries, especially in the developing world. At the same time it has also been observed that other CSOs are taking more and more interest in economic issues in general and competition policy issues in particular. Thus international cooperation on competition issues at the civil society level can play a significant role in tackling cross-border competition problems. There already exists a Global Competition Forum (GCF) of the competition lawyers under the auspices of the International Bar Association.

4.3.5 INCSOC

A beginning has been made at the level of CSOs as a network of them, namely, International Network of Civil Society Organisations on Competition (INCSOC), has been formed recently. INCSOC brings together consumer organisations and other CSOs interested in economic issues in general and competition issues in particular. INCSOC intends to work in coordination with ICN, GCF and the other relevant international bodies.

The need for such a network came out as one of the recommendations of the 7-Up project. It was articulated in different seminars/conferences organised as part of implementation of the project as well as other international level meetings where findings of the project were discussed. Hence, the concept of the network was floated by CUTS. Several consumer

organisations, other CSOs and competition experts showed overwhelming interest in the idea. As a result the INSOC was formed and formally launched on February 19, 2003 at the final meeting of the 7-Up project at Geneva.

The goal of the network is "to promote and maintain healthy competition culture around the world by coalition building among civil society and other interested organisations". The activities of the network will revolve around the objective of building capacity on competition issues, primarily of the civil society organizations, but secondarily of other stakeholder groups. The network is working mainly through working groups. All working groups have a balance of representation from the North and the South, and among regions.

As of now, the network has three working groups; Working Group on Advocacy or WGA, Capacity Building Working Group or CBWG and the Working Group for the World Competition Report or WGWCR. The WGA aims to undertake advocacy activities mainly at national level. The CBWG aims to build the capacities of CSOs and other stakeholders around the world. At the international level the WGA will work with the WGWCR to prepare the World Competition Report by the year 2005, for the first time and once in two years thereafter.