# DELINEATION OF THE RELEVANT MARKET UNDER COMPETITION LAW IN MYANMAR\*

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### Abstract

The economic system around the world is now interconnected and developed between nations. A sustainable economy is the key to ensuring human existence in the face of climate change, and it also offers economic opportunity. The business of Myanmar is more developed, and on the other hand, the risks of the enterprises are increased through unfair competition. All countries agree that competition should not only be free but also fair. Protection against unfair competition is an ever-evolving notion that has to adapt to the evolution of trade, and the development of new principles and obligations for participants in the business environment. To prevent abuses of market power arising from monopolization or anti-competitive actions in a market economy, the Competition regulator shall be first to define the relevant market. The assessment of market/ dominance power is vital to determining the illegal influence of a firm or product in a particular market. Assessing market power is a fundamental tool for analysis of the anti-competitive agreements. In competition law, defining the market is a complicated procedure. The determination of the market definition needs to be clarified more in the Competition Law in Myanmar. The product scope and geographical scope will figure out the market condition. However, markets are sometimes narrowly defined by integrated controls, such as services or customers.

Keywords: business environment, product market, geographical market

### Introduction

The emphasis on effective resource allocation, safeguarding product quality, and encouraging innovation and technical advancements is where competition law and sustainable development connect. As a result, authorities overseeing competition will have a significant impact on how business practices linked to sustainability develop. Enforcement actions by competition authorities can be directed towards anticompetitive and consumer protection violations that endanger these aspects. Examples of such violations include market manipulation that hinders the entry of more sustainable competitors into the market or their ability to compete on an equal basis, mergers that may result in less innovation, and cartels thatimpede the advancement of technology for reducing greenhouse gas emissions<sup>2</sup>.

Competition becomes unfair or one competitor when its effects on consumers and society are more harmful than beneficial. In Myanmar, factors relating to the competition are described in the 2008 Constitution: "Section- 36(b) of the Myanmar Constitution, 2008 also enacts that "protect and prevent acts that injure public interests through monopolization or manipulation of prices by an individual or group with the intent to endanger fair competition in economic activities".<sup>3</sup>

Moreover, there is another general provision about the competition in the market which safeguards the public interest. Although Myanmar's Competition Law (MCL) was enacted in 2015 and came into force in 2017 and the Myanmar Competition Commission (MmCC) issued the Competition Rules by Notification 50/2017 to provide for the implementation of the

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<sup>&</sup>lt;sup>2</sup> Competition Policy and Sustainable Development, *Asia-Pacific Economic Cooperation*, APEC Competition Policy and Law Group, 2022, p-8.

<sup>&</sup>lt;sup>3</sup> The Constitution of the Union of Myanmar (2008), section 36(b).

Competition Law, many challenges remain in Myanmar. The competition law is the promotion of consumer interests and the protection of smaller firms from large aggregation of economic power<sup>1</sup>. If firms possess high market shares or a dominant market position, that situation harms competition. However, this situation does not always fall into being the anti-competitive behaviors that examine the exclude and control in competition regions. The assessment of the relevant market is the fundamental step for calculating the dominance and market share/power in the anticompetitive region. Market definition in dominance investigations can ensure that the first defines the relevant product market and then the relevant geographic market.<sup>2</sup> A business may place significant barriers to expanding and entering into a dominated market and such barriers often make it difficult for other market players to challenge their dominance. Myanmar's recent economic momentum will require overcoming challenges in upcoming competition cases, along with addressing consumers' rights and preventing unfair competition that could hinder progress.

### **Aim and Objectives**

The aim of this paper is to clarify the notion of the relevant market in competition law to promote healthy business environment. It assesses what are the relevant markets and the barriers it establishes to inhibit new competitors. Moreover, it describes the framework of the economic approach and the legal approach of the relevant market and barriers to entry for new competition regions. The research paper will give all of the relevant data and observations to achieve the aim and objectives of the research through books, publications, journals, and library-based sources and e-sources.

## Brief Overview of the Competition Law in Myanmar

According to the MCL, "competition" means "business-related competition carried out by businesses among the businessmen in the market through competitive business activities to get a greater number of customers who consume by purchasing their goods and services, market share and market dominance."<sup>3</sup> The MCL is a key provision for the legal terms and definitions. The purposes and the basic principles of the Competition Law are in line with the framework of the AEC Blueprint and the ASEAN Regional Guidelines on Competition Policy.<sup>4</sup>

Myanmar Competition Law, 2015 primarily prohibits four kinds of acts as follows, namely:

- (a) act of restraint on competition,
- (b) monopolization of the market,
- (c) unfair competition, and
- (d) business combinations that may lessen competition in the market.

The anti-competitive practices are harmful and unlawful behaviors for fair and free competition in the relevant market. The assessment of the market condition is vital for calculating the market power and market share in a particular market. This will help reduce market barriers and facilitate regional market integration. MCL describes that Section 2 (g)

<sup>&</sup>lt;sup>1</sup> Paul Craig et al., "EU Law, Text, Cases and Material", 2<sup>nd</sup> ed, Oxford University Press, New York, p. 26.

<sup>&</sup>lt;sup>2</sup> CCCS Guidelines on Market Definition (2007), para. 2.11.

<sup>&</sup>lt;sup>3</sup> Section 2(e), Myanmar Competition Law.

<sup>&</sup>lt;sup>4</sup>ASEAN Regional Guidelines on Competition Policy, *available at*: <https://www.icao.int/sustainability/ Documents/Compendium\_FairCompetition/ASEAN/ASEANRegionalGudelinesonCompetitionPolicy.pdf/>(last assessed: 2023/02/01)

defines harm to competition among businesses in the market. Moreover, in section 2(m) of the MCL, "Market means an area where commercial dealings are conducted between persons desirous of selling and purchasing goods and services." According to the provisions of the MCL, the Myanmar Competition Commission still needs to clarify the determining of the market definition in MCL. The current situation has deterred competitors from entering the markets, which harms the competitive process and the consumer. Myanmar Competition Commission (MmCC) should delineate the market and thresholds in the relevant markets. Although the Myanmar Competition Commission promulgated the Competition Rules in 2017, it did not directly relate to the market share or effects-based thresholds in investigating potential infringements in the relevant market. Although the Commission has the power, it is not yet clear how that power might be used.

### The Relevant Market Rationalizing the Adoption of a Competition Law

The Competition Law is an essential law for businesses and firms in the economy. When harmful and unlawful actions arise in businesses, the competition law will protect innocent businesses. Prices are raised by the dominant firm above the level of competition, which hurts consumers and the interests of the public as a whole. To conclude whether a firm or not it has a dominant position in harmful or unlawful cases, the commission needs to define the market first. Market determination is essential to identifying the boundaries of competition between firms. A market may be defined regarding its product and geographic dimensions, including economic substitutes in supply and demand. The product dimension defines the competing products, and the geographic dimension establishes the extent of the geographic areas that should be considered to be in the same market.<sup>1</sup>

### **The Relevant Product Market**

Product dimensions define different competitive products that should be considered in the same market. "A relevant product market comprises all those products and services which are regarded as interchangeable or substitutable by the consumer, because of the products' characteristics, their prices, and their intended use."<sup>2</sup>

There are three elements used to define markets: "(1) demand-side substitutability, (2) supply-side substitutability, and (3) potential competition. Demand-side substitutability is related to consumers' preparedness to switch between products in response to relative changes in price. The commission considers demand-side substitution to be the most immediate and effective regulatory force on the suppliers of a product that provides on-demand substitution, particularly in their pricing decisions. Supply-side substitution involves in the manufacturer's preparation to shift production capacity from one product to another in response to changes in price." <sup>3</sup>

<sup>&</sup>lt;sup>1</sup> M.Malathi, "Abuse of Dominant Position in light of the Competition Law in India", *Studies in India Place Names UGC Care Listed Journal*, Vol. 40, Issue 29 (2020), p. 292.

<sup>&</sup>lt;sup>2</sup> Commission Notice on the definition of the relevant market for Community Competition Law, Official Journal of the European Communities, C 372, 09/12/1997, para. 8.

<sup>&</sup>lt;sup>3</sup> *Ibid.*, paras. 15-24.

## Product Characteristics: A Non-Scientific Method for Delineating the Market

Kauper noted that the "characteristics, prices and intended use 'formula' appear regularly to commission regulations and decisions almost systematically."<sup>1</sup>Those three ways may provide valid and comprehensive information about substitutes for any product with appropriate methodology and analysis.

The term "relevant market" suggests that products that are part of a market can compete effectively. All products that are part of the same market for such products have an adequate measure of interchangeability.<sup>2</sup> To determine the product market and whether the product is interchangeable or substitutable in the product market, the Commission focuses on case study analyses.

The product market may reveal the product characteristics and end uses that govern the interchangeability or substitutability of the product. The Commission has concluded that the separate markets for industrial equipment (further sub-divided into earthmoving and construction equipment), on-highway trucks, Genets, and marine applications are due to their precise capabilities.<sup>3</sup> The Commission designated soft drinks and bottled water as separate products because of their price differences.<sup>4</sup>

In the case of Kimberly-Clark/Scott, the Commission recognized that AFH products may be less complicated than consumer tissue products in supply-side substitutability for the product. The Commission considered that "AFH toilet paper, AFH paper hand-towels, and AFH paper wipes constitute separate relevant product markets. If demand is elastic, a price increase will reduce demand."<sup>5</sup>

Moreover, there are some facts to consider regarding product range when assessing the degree of similarity of a product's utility for users.

- (1) Actions of users. "The JFTC will consider the following to determine the product market based on external characteristics such as dimensions and structure; specific material features such as solidity, plasticity, heat resistance, and insulation; quality such as purity; and technological characteristics such as standards and systems."<sup>6</sup>
- (2) Changes in price, quality, etc. "They were considering the firm's product range: differences in the price level or changes in price and quality. Although product A and product B can be used for the same purpose, their price level differs, and B cannot easily substitute for product A. In this circumstance, their utility cannot be considered to provide similar utility, Etc. The product in the place will consider the quality or other aspects of the product, such as its external characteristics, size and shape, physical properties, and technological characteristics."<sup>7</sup>
- (3) Recognition and behavior of users, etc. "The JFTC will be considered the recognition and behavior of users. The product is based on the user's recognition of the utility.

<sup>&</sup>lt;sup>1</sup> Patrick Massey, "Market Definition and Market Power in Competition Analysis: Some Practical Issues", *The Economic and Social Review*, Vol. 31, No. 4 (2000), pp. 309-328.

<sup>&</sup>lt;sup>2</sup> Hoffmann-LA Roche & Co. AG v. Commission of the European Communities, 9 June 1976 (Case 85/76).

<sup>&</sup>lt;sup>3</sup> Caterpillar/Perkins Engines, Case IV/M.1094 (1998), paras. 9-14.

<sup>&</sup>lt;sup>4</sup> Nestle/Perrier, Case IV/M.190(1992), paras. 11-12.

<sup>&</sup>lt;sup>5</sup> Kimberly-Clark/Scott, IV/M.623 (1996), paras. 53-60.

<sup>&</sup>lt;sup>6</sup> Guidelines for Exclusionary Private Monopolization under the Antimonopoly Act (2020).

 $<sup>^{7}</sup>$  Ibid.

Even if product A and product B are not similar, if the users can easily substitute product B for product A as raw materials to produce product B of the same quality".<sup>1</sup>

Buyer preferences based on such qualities and attributes as goodwill, habit, and brand promotion are also markets of product differentiation. The concept of a market is flexible and changes depending on the facts of the case. Product differentiation appears to lessen the elasticity of the demand curve faced by the individual seller by reducing the homogeneity of competing products in the market. This relieves the seller of the need to compete on price, making it more difficult for new competitors to establish themselves.<sup>2</sup>

In the United Brands Company and United Brand Continental B.V v. Commission of the European Communities case, the applicants submitted that the relevant market was essential to deciding the determined market. This was based on delineating the character of the related product and its boundary of the case realistically. The Commission decided the banana market is separate, and it has different features from the other fruit markets. However, "although bananas are reasonably interchangeable with other fruit, it has unique characteristics (a) ability (appearance, chemical composition, taste, softness, vitamins, and minerals) (b) features (easy and hygienic in handling, convenience for eating, particular nutritional value) and (c) economic".<sup>3</sup> In this case, the court decision was based on the product's characteristics and consumer welfare. The exercise of market definition is based on prices and practical considerations.

### SSNIP: A Scientific Method for Delineating the Market

The market may be defined with the SSNIP test introduced in the 1982 Merger Guidelines in the US Department of Justice. "The SSNIP test can be understood as a way to identify short-term demand substitutability by positing a small but significant price rise".<sup>4</sup>The acronym SSNIP stands for "small but significant non-transitory increase in price," and it is sometimes called the hypothetical monopolist test (HMT).<sup>5</sup>

The SSNIP test seeks to determine from the customer's point of view whether another product or service can be substituted. The test recognizes that such a price increase will be profitable if it leads an insignificant number of consumers to substitute other products.

A simple example might determine if "A" and "B" are in the same product market. If the monopolist attempted to impose an approximately 5-10 percent price increase, the SSNIP test essentially asks what consumers would do. Suppose this "B" price increase leads to changes in the consumption patterns of both fruits. If the consumers switch a sufficient volume of "B"

<sup>&</sup>lt;sup>1</sup> *Ibid.* 

<sup>&</sup>lt;sup>2</sup> G. de Q. Walker, "Product Market Definition in Competition Law" (1980), *Federal Law Review*, Vol. 11, Issue. 4, pp. 386-421, *available at* <a href="https://journals.sagepub.com/doi/10.1177/0067205X8001100402?fbclid=IwAR0IQU4-uYzl-13zPNtwmgAF202fpSjQSRULK7K7u5RDXL8YuAoApL0TzEM&">https://journals.sagepub.com/doi/10.1177/0067205X8001100402?fbclid=IwAR0IQU4-uYzl-13zPNtwmgAF202fpSjQSRULK7K7u5RDXL8YuAoApL0TzEM&</a> (Last access: May 23, 2022).

<sup>&</sup>lt;sup>3</sup> United Bands Company and United Brand Continental B.V v. Commission of the European Communities, Case. 27/76, 1978, pp. 224-226.

<sup>&</sup>lt;sup>4</sup> Alison Jones and Bren Sufrin, EC Competition Law: Text, Cases and Materials (2008), p. 77.

<sup>&</sup>lt;sup>5</sup> Observations by RBB Economics, "The EC's consultation on the market definition", *available at* https://www.rbbecon.com/downloads/2021/01/RBB\_EC-Consultation-on-Market-Definition\_v4.pdf (Last access: March 3, 2022).

purchases to "A," making it unprofitable for the monopolist in response to the price increase, then "A" would be considered to be within the same product market as "B."<sup>1</sup>

The Commission uses SSNIP tests to assess demand substitutability to analyze the relevant product market. While SSNIP may be conceptually valuable, the facts of a particular case can determine what will be significant with the percentage and what time duration of time will satisfy the test.<sup>2</sup>

"The Market Definition Notice defines clear guidance to practice on how to assess the HMT in the different sources of evidence that it includes, such as past price and volume sales data, customer surveys, market shocks, customer switching, production data, competitors' and customers' testimony, existing market research studies, margin data, and internal documents."<sup>3</sup>

If the consumers do not respond when the price rises, the Commission will comply with the following criteria, i.e., the supply-side substitutability will be used. Thus, supply-side substitutability is relevant to the producer's readiness to switch production capacity from manufacturing one product to another product in response to price changes.<sup>4</sup> Potential competition is not an essential factor in determining the market, but it is crucial when assessing market strength.<sup>5</sup>

One concept is called the interchangeable ability test (Cellophane Fallacy). In this case, the market definition is not essential, but the substitution presents an economic problem. Du Pont produced 75% of cellophane in the US as a monopoly or in attempting to monopolize the trade. Du Pont argued that all flexible packaging materials should be included in the product dimensions, which would make Du Pont's share constitute less than 20%, while the government determined that cellophane was the appropriate market. The court found there is reasonable interchangeability between Cellophane and other wrapping materials even though the prices of cellophane are as high as two or three times in the flexible wrapping market and even though cellophane's cost could change independently from other materials.<sup>6</sup> This decision was later criticized because the firm set the price of Cellophane so high that consumers would consider replacing it with inferior substitutes. <sup>7</sup>"The US Supreme Court failed to identify that high own-price elasticity may mean that a firm is already exercising monopoly power and may already have increased prices to the level at which other products become substitutes."<sup>8</sup>

Therefore, many case law and economic tests depend on the specific competition law market. The market definition is the center of any analysis of the abuse of dominant position, merger control, and identifying areas of competition between firms. Defining the market is very complicated in competitive regions. In Myanmar, the Competition Law states "Market means an area where commercial dealings are conducted between persons desirous of selling and purchasing goods and services."<sup>9</sup>What criteria will indicate the product market and how to access the relevant market area?

<sup>&</sup>lt;sup>1</sup> David Fruitman, Abuse of Dominance in Developing Economics: A Focus on the issues in Cambodia, Laos and Vietnam (2006), p. 8.

<sup>&</sup>lt;sup>2</sup> The Director of Investigation and Research v. Laidlaw Waste System Ltd., CT-1991/002-Doc # 72, p. 52.

<sup>&</sup>lt;sup>3</sup> Observations by RBB Economics, *supra* note. 12, p. 3.

<sup>&</sup>lt;sup>4</sup> Hoffmann-LA Roche & Co.AG v. Commission of the European Communities, Case 85/76 (1976), para. 20.

<sup>&</sup>lt;sup>5</sup> *Ibid.*, para. 34.

<sup>&</sup>lt;sup>6</sup> United States v. E.I. du Pont de Nemours & Co. 351 U.S. 377 (1956).

<sup>&</sup>lt;sup>7</sup> Massimo Motta, *Competition Policy: Theory and Practice* (2004), p. 105.

<sup>&</sup>lt;sup>8</sup> ATMD Bird and Bird LLP, Business Guide to Competition Law (2011), p. 28.

<sup>&</sup>lt;sup>9</sup> Myanmar Competition Law (2015), section 2(m).

The SSNIP test is a conceptual test in which demand-side and supply-side substitution patterns are considered, and it requires economic data and information. However, the SSNIP test is used to determine the relevant market regarding price. Moreover, it is observed based on product characteristics, consumer surveys, price information, economic evidence, and the switching of demand to potential substitutes. The regulators must define and analyze the determined market with the economic, consumer interests, and legal concepts.

#### **The Relevant Geographic Market**

The definition of the geographic market depends on the location of the business and the nature of the business's activities.<sup>1</sup>

"The relevant geographic market comprises the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous and which can be distinguished from the neighboring area because the conditions of competition are appreciably different in that area."<sup>2</sup>

The geographical boundaries of the relevant market involve identification within the area where competition takes place. Consumption patterns and delivery trends, expenses, quality, obstacles to product shipment in bordering geographical regions,<sup>3</sup> substantial differences in market shares between surrounding areas, and essential price distinctions are all relevant to geographical aspects.<sup>4</sup>

In the case of *the Director of Investigation and Research v. Laidlaw Waste System Ltd*, the plaintiff and defendant were not in dispute regarding the product provision. However, there was considerable dispute about the product's relevant market's geographic dimensions of the product's relevant market for life-on-board services for waste disposal.

The tribunal decided that the Courtenay-Comox-Cumberland area was not the same market as Campbell River in this case. This conclusion was based on the past and present market participants in the relevant areas. The particular points of fact were the sparsely populated area between Courtenay-Comox-Cumberland and Campbell River along with the locations of the dumpsites that serve those areas are significant to the conclusion that the two population centers are not in the same geographic market concerning the provision of the lift-on-board services.<sup>5</sup>

Economists have focused on the issue of determining the relevant market. Areeda and Turner (1978, p.355) stated that separate (geographic) markets are indicated for a given product where it has a different price in each different area and where price changes between areas are relatively uncorrelated.<sup>6</sup> In the case of *Volvo/Scania*, Volvo submitted a new argument relating to the scope of the relevant geographic market. Furthermore, Volvo argued that price comparisons were not meant to define the geographical markets and that they were different because of customer structure and the purchasing power in different countries. The Commission

<sup>&</sup>lt;sup>1</sup> Doris Hildebrand, The Role of Economic Analysis in the EC Competition Rules (2009), p. 299.

<sup>&</sup>lt;sup>2</sup> Commission Notice on the definition of relevant market for the purposes of Community Competition law, *Official Journal of the European Communities*, C 372, 09/12/1997.

<sup>&</sup>lt;sup>3</sup> M.Malathi, "Abuse of Dominance Position in light of the Competition Law in India", *Studies in India Place Names UGC Care Listed Journal*, Vol. 40, Issue 29 (2020), p. 292.

<sup>&</sup>lt;sup>4</sup> Commission Notice on the definition of the relevant market for the purposes of Community competition law, *Official Journal of the European Communities*, C 372, 09/12/1997.

<sup>&</sup>lt;sup>5</sup> The Director of Investigation and Research v. Laidlaw Waste System Ltd., CT-1991/002-Doc # 72, pp. 46-60.

<sup>&</sup>lt;sup>6</sup> Patrick Massey, *supra* note 5, pp. 309-328.

states that "the definition of the geographical market is a critical component for the ability of the producer to distinguish prices between different geographical areas".<sup>1</sup> Determining the relevant geographic market was vital in the Volvo/Scania case.

The geographic range is determined in the same manner as "the product range and from the perspective of substitutability for users between products supplied in a region. In this case, the geographic range is determined after determining the product market. In many cases, the degree of substitution between different products supplied in a region can be determined from the perspective of the geographical distance of the suppliers who can purchase the relevant product under normal conditions."<sup>2</sup>

### **Entry Barriers**

Entry barriers are essential because they are relevant in almost every competition case that does not involve a per se offense. Barriers to entry are considered when assessing dominance because they can prevent new companies from entering the market. Most notably, entry barriers slow down the normal functioning of the market to strengthen market power; they may be dampening or annulling. It is often necessary to establish the presence of significant entry barriers to prove that a large market share has translated into market power in the abuse of monopoly or dominance.<sup>3</sup>

Some economists are identifying barriers to entry using an economic approach. "Bain (1956) characterized an entry barrier as the set of innovation or product conditions that permit incumbent firms to gain economic profits in the long run. Bain recognized three sets of conditions: economies of scale, product separation, and outright cost advantages of established firms. Stigler (1968) criticized this approach, particularly the thought of scale economies as barriers to entry. He offered an alternative definition: a cost of production which must be delivered by an entrant applicant but not by an incumbent."<sup>4</sup>

This includes regulatory barriers as well as patents or other intellectual property rights, licenses, financial risk, and the high capital cost of entry. Further barriers are marketing entry barriers, technical competitive dynamics, productivity improvements, and the high cost of substitutable goods or services for consumers. In the case of Marine Bancorporation, the court professed to limit its per se rule to "an industry in which the State and Federal Government extensively regulates new entry."<sup>5</sup>

"In particular, when an IPR does not prevent others from competing with the IPR holder in the relevant market, it would not normally be a barrier to entry. In those cases, where IPRs do constitute a barrier to entry, it does not always imply that competition is reduced. Although an IPR may constitute entry barriers in the short term, in the long term a rival undertaking may be able to overcome it by its innovation. The short-term profit an IPR can provide acts as an incentive to innovate and can thus stimulate competition in innovation."<sup>6</sup>

<sup>&</sup>lt;sup>1</sup> Volvo/Scania, Case. No COMP/M.1672 (2002), pp. 13-31 & 233.

<sup>&</sup>lt;sup>2</sup> Guidelines to Application of the Antimonopoly Act Concerning Review of Business Combination (2019).

<sup>&</sup>lt;sup>3</sup> OECD, Barriers to Entry (2005), p. 9.

<sup>&</sup>lt;sup>4</sup> Luis M.B. Cabral, "Barriers to entry: The new palgrave dictionary of economics", available at

<sup>&</sup>lt;https://studylib.net/doc/10298592/barriers-to-entry---the-new-palgrave-dictionary-of-economics> (Last access: Feb 27, 2022).

<sup>&</sup>lt;sup>5</sup> United States v. Marine Bancorporation, 418. U.S. 602 (1074).

<sup>&</sup>lt;sup>6</sup> CCCS Guidelines on the Section 47 Prohibition (2016), p. 50.

Firms can benefit from efficiency, allocation of resources, and product innovation. Consumers will benefit from lower prices, higher quality, and a more comprehensive range of options.

Society can achieve economic democracy and good governance through fair competition. Tariff and non-tariff regulatory barriers are those created by state statutes, regulations, and administrative practices. Sometimes, new competitors face barriers to entering the new market because of the government. (e.g., licenses).

"Barriers that would be ineffective if prices were raised higher than prevailing levels may still be relevant in assessing exclusionary practices that prevent prices from falling below current levels. The ability of firms to deter entry through behavioral as opposed to structural barriers is increasingly recognized."<sup>1</sup>

## **Research Finding**

The market must be set up with an effective legal framework to promote fair and free competition and prevent anticompetitive actions in a market economy. To safeguard the interests of the business environment, it is crucial to continuously take into consideration the Competition Law. The determining of the market condition should be based on the product market and geographic market in MCL. For assessing the relevant market, one should look at the substitutability. Within the relevant market, the market share and entry barriers need to be determined.

## Conclusion

The primary purpose of competition laws and regulations is to create a competitive environment for the efficient distribution of resources within the country's economic structure and to promote competition. A competitive market is cheaper and more convenient, more goods will be available for consumers, the economy will grow faster, and income distribution will be more equitable.

The objectives of the MCL are to; increase economic activity across markets, promote the development of the national economy, control unfair market competition inside and outside Myanmar, provide an economic environment that protects consumers, prevent abuses of power, and restrict control of the unfair practices among enterprises.

The dominant firm in an industry often raises prices above what would be the natural price in a competitive environment, harming consumers, and public interests, and in the competitive process. The current situation has deterred competitors from entering the markets, which harms the competitive process and the consumer. Myanmar Competition Commission (MmCC) should delineate the market and thresholds in the relevant markets. If the MmCC addresses the issue of dominance, it will be equipped with a clear economic view of market power and the ability to prevent potential competitors from entering the relevant market. In this case, the market power or shares are based on calculating the relevant market.

According to the provisions of the Myanmar Competition Law, the Myanmar Competition Commission still needs to clarify section 2 (m) of the Myanmar Competition Law

<sup>&</sup>lt;sup>1</sup> R. Shyam Khemani *et al.*, A Framework for the Design and Implementation of Competition Law and Policy (1998), available at <a href="https://doi.org/10.1596/0-8213-4288-6">https://doi.org/10.1596/0-8213-4288-6</a> (Last access: Feb 27, 2022).

which is the term "market" which describes a place where people who want to buy and sell goods and services interact commercially. The Myanmar Competition Commission should clarify that they will consider the SSNIP test or other assessment factors. Although SSNIP is a conceptual test, it is applied in many countries. Moreover, Myanmar must consider other factors such as product characteristics, users' utility, consumer surveys, price information, economic evidence, switching of demand to potential substitutes, content, quality, etc., changes in Price, quality, etc., recognition, and the actions of users.

Competition analysis typically refers to a relevant market that includes a relevant product and geographic market. Market definition is usually the idea of determining market share, market power, and the scope and effect of relevant conduct. The Competition Law needs to assess market share levels in its provision. There are two types of assessment of the relevant market. The SSNIP test is used to determine the relevant market regarding price. SSNIP test is a conceptual test in which demands and supply-side substitution patterns are considered, and it will need economic data and information.

Moreover, it will observe based on the product characteristics, consumer surveys, price information, economic evidence, and switching of demand to potential substitutes. The regulators must define and analyze the determined market with the economic, consumer interests, and legal concepts. The geographic market is likely to be based on product and consumer behavior. Determination of the geographic market is significantly fixed by the product's availability to assess other factors such as industry policies, consumer preferences, shipment patterns, transportation costs, perishability, and barriers to shipment of products.

The Commission requires the enterprise's economic data to identify the relevant market in competition, nevertheless in actuality; such kind of economic data is still inadequate. Therefore, the Myanmar Competition Commission should determine the relevant market clearly to prohibit unfair competition that encourages harmful and unlawful behaviors in the relevant market. This will help reduce market barriers and facilitate regional market integration.

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