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**Comité Centroamericano
de la Competencia**

Competition Provisions in Trade
Agreements

Arab Competition Forum

Muscat, Oman

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Central American Economic Integration Subsystem

- The Economic Subsystem was established in the Tegucigalpa Protocol.
- The main objective of the Subsystem is to achieve equitable and sustainable economic and social development of the Central American countries, which translates into the well-being of their people and the development of all member countries, through a process that allows the transformation and modernization of their productive, social and technological structures, increases competitiveness and achieves an efficient and dynamic reinsertion of Central America in the international economy.
- The member states (Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama) have committed to seek internal and external stability in their economies, through the application of consistent macroeconomic policies.

Central American Competition Law and Policy

Competition policy is a relatively new concept in Latin America. Most of the competition laws in the region were enacted after the mid-nineties.

Costa Rica approved its first competition law in 1994 and Panama approved its own in 1996. Much more recently, El Salvador (2004), Honduras (2006) and Nicaragua (2006) approved theirs. Guatemala is currently advocating in Congress for the enactment of its competition law.

Competition Provisions In Trade Agreements

- Aside from the Association Agreement with the European Union, the other treaties signed by Central America include competition provisions such as the commitment to work together so that anticompetitive practices do not undermine trade liberalization and the adoption of national competition laws.
- Some of them include provisions regarding State Monopolies so that they will not distort the functioning of markets.
- The Association Agreement with European Union was the first one to include other substantial provisions on competition policy and established deadlines for the adoption of National Competition Laws (4 years for countries that had not adopted one) and a Central American Competition Regulation (7 years).

Association Agreement with European Union (Articles 277- 283)

- The Parties shall adopt or maintain in force comprehensive competition laws which effectively address the anticompetitive practices:
 - agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings, which have as their object or effect the prevention, restriction or distortion of competition as specified in their respective competition laws;
 - any abuse by one or more undertakings of a dominant position or a substantial market power or notable market participation, as specified in their respective competition laws; and
 - concentrations between undertakings, which significantly impede effective competition, as specified in their respective competition laws.
- The Parties shall establish or maintain Competition Authorities designated and appropriately equipped for the transparent and effective implementation of the competition laws.

Central American Competition Regulation

- The Council of Ministers for Economic Integration (COMIECO), that is the highest authority of the Central American Economic Integration, adopted the Central American Competition Regulation by Resolution No. 441-2020 on 10 December 2020.
- The Central American Competition Regulation entered into force on 10 March 2020.
- Its provisions include Competition Advocacy and Cooperation activities.
- It creates the Central American Competition Committee with the mandate to implement, apply and manage the necessary activities to comply with the provisions in the Regulation.

Central American Competition Regulation

Regional Provisions on Competition

The Parties therefore agree that the following are incompatible with this Agreement, in so far as they may affect intraregional trade between the Parties:

- (a) agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings, which have as their object or effect the prevention, restriction or distortion of competition.
- (b) any abuse by one or more undertakings of a dominant position or a substantial market power or notable market participation.
- (c) concentrations between undertakings, which significantly impede effective competition.

Central American Competition Regulation

Regional Cooperation to enhance Competition

- Notifications
- Consultations
- Non Confidential Information Exchange
- Technical Assistance
- Joint Training

Activities for regional promotion of Competition

- Development of recommendations on best practices in competition matters.
- Issue opinions or recommendations on competition matters on draft regulations and rules in force at the regional level.
- Analyze, from a regional competition perspective, the recommendations or opinions made by the National Competition Authorities to the Committee for carrying out advocacy activities.
- Regional market studies
- Monitor regional markets for competition issues.
- Any activity to enhance knowledge and competition culture, and enforcement of competition laws.
- Socialize the work done by the Committee.

Central American Competition Regulation

<https://www.sieca.int/index.php/competencia/>