

Preface

In parallel with the great widening of markets and growth of foreign direct investment which have recently characterised the world economy has come a renewed awareness of the international nature of many competition policy issues. While more and more countries adopt policies to regulate competition within their borders, at the same time many cases take on an international dimension. Large mergers between companies in one country can have adverse consequences in several others, while the merger of multinational enterprises alert the competition authorities in a host of countries all of which claimed jurisdiction. Similarly international cartels which had dominated many markets in the period between the two World Wars again seemed to be on the increase, judging by the detection of numerous spectacular and far-reaching examples. In addition, some dominant firms which might be controlled effectively by their domestic competition authorities are accused of using exclusionary methods in foreign countries that are unable to protect themselves.

Problems of this kind are not new. Indeed the statesmen who negotiated the Havana Charter in 1948 planned (unsuccessfully as it turned out) an international organisation to deal with them. However the continued rapid growth of the world economy has brought a renewed urgency to the task of ensuring that proper controls over anticompetitive conduct are available to all countries and not just to those wealthy and powerful enough to take care of themselves.

The main focus of this book is therefore these competition policy problems in an international context. Each of the three main areas – mergers, collusion and single firm dominance – are discussed in Part II and illustrated with some important examples. Although the need for international co-operation on these problems has long been recognised, so far, despite strenuous efforts, little real progress has been made. Part III of the book discusses the feasibility of having a truly international policy and outlines the main proposals that have been offered in recent years.

Some of the material in the book has been used in a postgraduate course that I have been giving for several years in the Department of Management, at the University of Reading. I am grateful to successive groups of students for their patience while I developed some of the topics, and their enthusiasm and interest in the course as a whole.