

ABSTRACTS

TÜNDE GÖNCZÖL

♦ *Antitrust Hipsters and their Critics*

In the US, the reform of competition law enforcement has become the focus of political and professional debates. Leading critics of the prevailing approach, the so-called antitrust hipsters, call for a return to the original objectives of US competition law and demand that digital giants be restrained, even by means of regulatory measures. This paper presents the current state of the evolving debate between the followers and the critics of the hipster antitrust movement.

ISTVÁN CSONGOR NAGY

♦ *Neo-protectionism and world trade: the legal and economic framework*

The last years of world trade, primarily because of the trade policy of the Trump administration and Brexit, have seen the emergence of neo-protectionism revolting against globalization. At the same time, due to the institutional and legal framework of economic relations and the internationalization of national economies, this neo-protectionism encounters very significant hurdles. WTO-law significantly confines member states' abilities to protect their markets (for instance, via capped tariffs and the prohibition of quantitative restrictions), while the development of the international economy (such as the global factory and trade diversion) make protectionist trade policy, from an economic perspective, difficult or even counter-productive. This paper demonstrates the legal, institutional and economic framework within which the emerging neo-protectionist policy may unfold and why, due to these restrictions, this trade policy is not capable, in the long run, of advancing domestic economic interests.

NORBERT MAIER

♦ *Data as product in competition law*

Big data is one of the central topics in competition policy, as big data is a special product, often not traded, therefore there are difficulties in market definition and in exploring substitution. The paper reviews these problems, presents a possible approach to assess the closeness of substitution.

ZOMBOR BEREZVAI

♦ *The impact of retail regulations on consumer prices*

This paper aims to analyze how retail regulation can impact competition and consumer prices. Our first study is an international comparison based on OECD data. Results support the hypothesis that tightening retail regulation is connected to higher food inflation. Our second study estimates the impact of Sunday trading ban and regulations curbing entry in retailing on consumer prices in Hungary. We analyze monthly price data of 17 food items on the period 2006-2017 using FGLS panel regressions. Results indicate that the regulation and later deregulation of Sunday trading did not have any significant effect on consumer prices. On the contrary, the spread of the modern store formats and international retail chains significantly reduced prices. Based on this result, establishing entry barriers in retail had an unfavorable effect on consumers materializing in higher prices.

ANIKÓ KELEMEN-ERDŐS

♦ *Listing decisions in the retail of fast-moving consumer goods*

One of the important strategic tools for increasing retail competitiveness is product selection design. Assortment innovation and rationalization activities determine a company's market opportunities, relationships, and cost factors. The aim of the study described herein is to analyze the background of the causes and effects of retailers' new product-adoption and assortment-reduction decisions in the fast-moving-consumer-goods market based on secondary literature sources. This paper uses a novel approach to typologizing and conceptualizing listing decisions, and also to understanding the interaction of simultaneous decisions to expand and reduce the product range. The results of the study reflect the fact that listing decisions are determined by the balance of power in the supply chain; in particular, in the relationships between manufacturers or producers and retailers, and the contribution to gross margin and profit. In addition, the adoption of a new product depends on market pressure, customer and consumer needs, while assortment reduction is still driven by perceptions about innovative assortment and cost optimization.

PÁL VALENTINY

♦ *Switching and competition in retail markets of network industries*

Switching of providers became more frequent in electronic communications and telecommunications than in energy industries after the market opening. The paper explores how it depends on the timing of market opening and on the unfolded constraints of competition. The problems on supply and demand sides, the changes in consumer behaviour and the need and scope of regulatory interventions are also scrutinized.

KATALIN CSERES

♦ *Postal consumers in the EU and in local markets: from users of universal services to users of digital postal services*

Protection of postal service users is strongly intertwined with the concept of universal service in postal services. This is partly due to the fact that universal service (US) is deep-rooted in EU law of postal services, more than in any other areas of EU law in regulated market. The relationship between universal service and consumer protection is a fundamental area of EU law concerning postal consumers, however, this relationship is a fragmented area of EU law in general, and EU postal services law in specific. This fragmentation has further increased as a result of the emerging disconnection between the EU (and national) legal framework of postal services and the technological and economic changes in the postal market due to increased digitalization and the rise of electronic communications. The aim of this study is to answer the following research question: How does EU law facilitate the different (vulnerable and the active) consumers in the digital postal market? The paper also includes a brief overview of two local markets, the Dutch and the Hungarian postal services market, where very different developments have taken place in the last years.

BALÁZS FELSMANN

♦ *Issues of the allowed rate of return charged on the regulatory asset base on the example of the Hungarian gas distribution*

From time to time there is a need for the development of a predictable regulatory framework that takes into account the considerations of both investors and users of services in the context of price regulation of asset-intensive utility services. In our analysis, we review a small part of this highly complex topic, the theoretical and practical issues of the accepted value of the regulated assets by the regulator, which is one of the most important elements in determining the investor's allowed return.

We present the most important theoretical models, the development of regulatory theory and practice in Hungary, and then we illustrate the impact of the regulatory environment on companies' investment decisions by analysing time series data of the Hungarian gas distribution sector.

BORBÁLA TÓTH TAKÁCSNÉ – ADRIENN SELEI – PÉTER KOTEK

♦ *Pedal to the metal: The future of natural gas transit via Ukraine and its effects on the gas market competition in Europe*

The future of gas transit through Ukraine is one of the most pressing energy security issues facing the EU in 2019 with the current gas shipping contract between Russia and Ukraine set to expire 31 December and the realization of alternative pipeline routes (Turk Stream 1-2 and Nord Stream 2) facing delays or uncertainty. Using market modelling tools this paper examines the following Russian export strategies to Europe using different transit route combinations: (i) no transit via Ukraine, (ii) only long-term contracts via Ukraine, (iii) mix of long-term contracted gas and spot

gas via Ukraine. Although the cessation of Ukrainian transit would not endanger the security of gas supply in Europe, it would result in higher prices across Europe in all scenarios. The results show that, independent from the infrastructure assumptions, the sale of spot gas to European markets through Ukraine is the most profitable strategy for Russia. In fact, this strategy is not only beneficial to Russia, as it leads to the highest welfare for European consumers. In those scenarios where Nord Stream 2 and Turk Stream 2 are completed, Ukrainian transit is not essential to maintain the current Russian share (close to 40 percent) of EU gas imports. However, the results also show that halting Ukraine transit is less profitable for Russia, even if all the planned infrastructure is completed. In this scenario, utilizing Ukrainian transit has the potential to increase its share of EU imports up to 50 percent. Alternatively, circumventing Ukraine would result in significant profit loss for Russia, close to 5 billion € per year.

RÓBERT SOMOGYI – BALÁZS BARTÓKI-GÖNCZY

♦ *Analysis of zero-rating regulation from a legal and economic perspective*

In this study we describe the various forms of zero-rating arrangements and present formal and informal arguments for and against the type of zero-rating offers most common in Europe. As formal mathematical models of zero-rating can help navigate among its many pros and cons, we summarize the state of the art results in the literature. All of these models have the same qualitative prediction: zero-rating can either reduce or improve social welfare depending on market conditions. In light of these results, in the second part of this study we analyze the current European Union regulation relating to zero-rating from a legal perspective. Currently this is the only large economy in the world that mandates a case-by-case analysis of zero-rating practices, which we believe is the right general direction for regulation, however, we also identify several of its shortcomings.