

[REDACTED]

From: [REDACTED] >
Sent: Tuesday, 18 October 2022 4:39 pm
To: Misuse of Market Power Guidelines
Subject: Frontier Economics

Thank you for the opportunity to comment on the draft guidelines. I think the guidelines are clear, helpful and well-grounded in economics.

I think a few definitions could be improved:

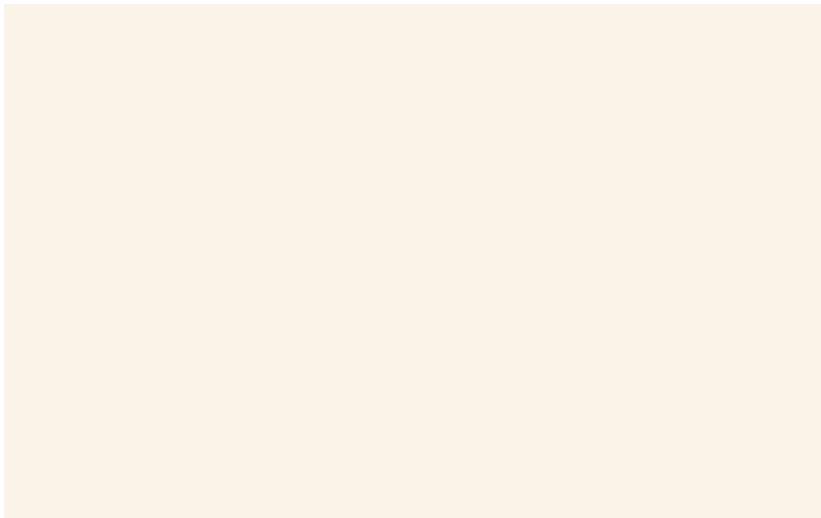
51.1 It would be better to define economies of scale to allow for multi-product firms – as does the definition of the market in para 28. I suggest: Economies of scale: whereby increasing the scale of production by a factor, k , while holding the ratio of outputs constant, causes costs to increase by a factor less than k .

51.2 I suggest: Economies of scope: whereby the costs of producing two products in one enterprise are less than the sum of the costs of producing the same two products in two separate enterprises.

51.6 I suggest sunk costs are costs incurred upon implementing a decision that cannot be recovered when that decision is reversed.

These might seem like nit-picking; but they were all I could find to comment on.

My thanks and best wishes for the new s 36,



This e-mail, including any attachments, may contain confidential and privileged information for the sole use of the intended recipient(s). Any review, use, disclosure or distribution by others is strictly prohibited. If you are not the intended recipient (or authorised to receive information for the recipient), please contact the sender by reply e-mail and delete all copies of this message. Thank you.

