

“Anticompetitive and Pro competitive with respect to Exclusive dealing contract”

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In this report, we study whether an incumbent monopoly firm excludes new entry firms by using exclusive dealing contracts in the market. Thus, it may become an anticompetitive effect of exclusive dealing contract.

We theoretically analyze anticompetitive effects of exclusive dealing contracts. We illustrate anticompetitive effect of exclusive dealing contracts based on the model of Oki and Yanagawa (2011b). Many studies with respect to an exclusive dealing contract have been studied in the framework such that an upstream monopoly firm offers exclusive dealing contracts to downstream firms to deter a new entry firm to the upstream market. However, Oki and Yanagawa (2011b) study the case in which a downstream monopoly firm offers exclusive dealing contracts to upstream firms to deter a new entry firm to the downstream market. We consider Oki and Yanagawa's situation and analyze whether exclusive dealing contracts have anticompetitive effects or not from various viewpoints. Each chapter is constructed as follows.

In the first chapter, we summarize the previous literatures about respect to exclusive dealing contracts.

In the second chapter, we briefly describe Oki and Yanagawa's model, and we explain the difference between their model and the former models. In the specified assumption of Oki and Yanagawa, they have the results. An exclusive dealing contract such that downstream monopoly firm offers the contract to upstream firms does not enter an efficient new entry firm rather than an exclusive dealing contract such that upstream monopoly firm offers the contract to downstream firms.

In the third chapter, we consider industrial structure with multi steps. At each step, we characterize whether exclusive dealing contracts have anticompetitive effect of restricting a new entrant. Industrial structure with multi steps means that there exist upstream market, middle stream market, and downstream market in the industry. We consider the situation where a monopoly firm in middle step of the market can offer exclusive dealing contracts to either upstream firms or downstream firms. Then we analyze whether, the monopoly firm is success to exclude a new entry firm from the (middle) market. We begin to study industrial structure with three steps and extend to N steps. In this framework, we have the following results. Whether the monopoly firm excludes a new entry firm from the market or not depends on the degree of competition in other market (upstream and downstream market). Note that the competition degree means the number of firms. Also, the monopoly firm's payoff changes at the degree of degree in other markets. Their results imply that it is important to investigate industrial structure and the relevant circumstance that include the degree of competition for the authority to consider an anticompetitive effect of exclusive dealing contract.