



## **CENTRE *of* EXCELLENCE *in* FINANCIAL SERVICES**

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### Website Media Release

#### **Measuring concentration banking**

The measurement of concentration is often used as a proxy for, or indicator of competition in a sector. The highly regulated nature of certain sectors, such as banking, may challenge this conventional wisdom.

The use of popular measures, such as the Herfindahl-Hirshman Index, amongst others, needs to be contrasted against the regulatory and policy interventions that can impact on the competitive behaviour associated with these regulated sectors.

The Centre of Excellence in Financial Services has launched a project to examine the validity of these popular measures of concentration in highly regulated sectors.

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