



**ASIA-PACIFIC ECONOMIC COOPERATION —
ORGANISATION FOR ECONOMIC CO-OPERATION AND DEVELOPMENT**

APEC-OECD Co-OPERATIVE INITIATIVE ON REGULATORY REFORM

THIRD WORKSHOP AND HIGH LEVEL CONFERENCE

**16, 17 AND 18 OCTOBER 2002
JEJU ISLAND, KOREA**

NOTE AND FINAL AGENDA

AN EVENT HOSTED BY THE GOVERNMENT OF KOREA

AND

**CONVENED BY THE INSTITUTE FOR THE DEFENSE OF COMPETITION AND PROTECTION OF
INTELLECTUAL PROPERTY (INDECOPI) OF PERU**



Hotel Shilla Jeju

INTERNATIONAL MEETING OF THE APEC-OECD CO-OPERATIVE INITIATIVE ON REGULATORY REFORM

16, 17 AND 18 OCTOBER 2002, JEJU ISLAND, KOREA

APEC and OECD economies have embraced a similar set of regulatory quality principles as the foundation for further progress on regulatory reform. The September 1999 APEC declaration for supporting growth through strong and open markets included APEC Principles to Enhance Competition and Regulatory Reform. Regulatory quality is at the core of the OECD's 1997 Report to Ministers on Regulatory Reform and the OECD's current in-depth reviews of regulatory practices in its Member economies. In the 1997 Report, Ministers from OECD economies reached agreement on a broad set of principles for regulatory reform, covering economic regulations, social regulations, and government formalities.

An APEC-OECD Agreement on joint work on regulatory reform was developed in the Fall 2000 and was endorsed at the APEC Ministerial Meeting on 12-13 November 2000 in Brunei Darussalam. The Agreement set out the framework for the co-operative initiative for APEC and OECD, with the aim of supporting implementation of the principles on regulatory reform adopted by the member economies of the two organisations. The joint work in 2001 and 2002 focuses on an exchange of information and experiences on good regulatory practices and concepts built around the common agenda established by the APEC declaration and OECD principles.

The joint APEC-OECD programme

A series of events is considered to be best suited to advance a common understanding of the Regulatory Reform agenda and to establish durable networks among economies. The launching conference, held in **Singapore on 22—23 February 2001**, brought together over 30 economies, several international organisations, the private sector and trade union representatives. The conference was also an opportunity to specify further APEC-OECD co-operation through a series of three workshops.

- The first workshop was held on **19 -20 September 2001 in Beijing**. The discussions focussed on (1) Designing and sustaining a broad regulatory reform programme and (2) Improving the Competition Policy Foundation for Regulatory Reform.¹
- The second workshop was held on **24 -25 April 2002 in Merida, Mexico**. The discussion focused on (1) Regulatory Impact Analysis and (2) on integrating market openness into regulatory systems.²
- The third workshop will be held in **Jeju Island in Korea, 16-17 October 2002**. The meeting will concentrate on (1) the importance of transparency in the regulatory framework and (2) on a first stocktaking exercise on regulatory reform in key economic sectors.

The workshop will be held back to back with a **High Level Conference on 18 October 2002** hosted by the Korean Government, to assess the results of two years of the APEC-OECD Co-operative Initiative and to discuss the launching of a new biannual phase of continuing co-operation in the area of regulatory reform.

The following note and final agenda describes the Korea meeting.

1. The Proceedings of the Beijing Workshop are available at: www.oecd.org/regreform
2. The Proceedings of the Merida Workshop are available at: www.oecd.org/regreform

NOTE FOR THE MEETING OF THE APEC-OECD CO-OPERATIVE INITIATIVE ON REGULATORY REFORM

Jeju Island, Korea

Organisation: The meeting will take place in Jeju Island, Korea, 16-18 October 2002. Korean authorities will provide logistic support.

Objectives of the event: The APEC-OECD Co-operative Initiative on Regulatory Reform provides a forum for multidisciplinary policy discussions to deepen understanding of regulatory reform as a vector for stimulating economic productivity and growth. The first and second day of this meeting will consist of the Third Workshop of the 2001-2002 programme. It will focus on the role of transparency in regulatory reform and on the state and future regulatory reform in key economic sectors. During the third day an international high-level conference will appraise progress and discuss future steps for the APEC-OECD Co-operative Initiative on Regulatory Reform.

Format of the discussions:

The **Workshop** will be divided into two sessions. Each session will be built around policy and technical discussions. After a presentation of a key speaker introducing the main issues, policy makers, practitioners and experts will contribute and respond based on their country experience. An open discussion will follow to allow an open and frank exchange of views and practices. To help the discussions, the Secretariat will circulate a one-page summary of the speakers' presentations at least a week prior to the workshop.

The **High Level Conference** will be opened by the Prime Minister of South Korea, Mr. Donald J. Johnston, Secretary-General of the OECD, and Ambassador Piamsak Milintachinda, Deputy Executive Director, APEC Secretariat. This high-level event will be divided into two parts. In the first session, high officials from APEC-OECD economies will discuss challenges, the vision and strategy for effective regulatory reform based on experiences in implementing the principles accepted by APEC and OECD. In the second session, participants will assess the results of the 2001-2002 programme and how the Co-operative Initiative should contribute to furthering a regulatory reform strategy for APEC and OECD economies.

Participation: Participants will be high officials from APEC and OECD economies active in the fields of rule making, trade, competition and/or sectoral policies. In addition, the respective secretariats will be represented and there will be invited experts from other international organisations, the private sector, trade unions and academia.

Proceedings: The OECD Secretariat will produce a report on the event, which will be available on the APEC and OECD internet sites.

Background:

Regulatory reform continues to accelerate throughout the APEC and OECD economies, as market liberalisation deepens in many sectors, markets open to trade and investment, and reform of public sector institutions creates capacities for more transparent and efficient regulatory regimes.

Both APEC and OECD Ministers have noted that these reforms can be effective in boosting sectoral efficiency and innovation, enhancing economy-wide flexibility and potential growth, increasing consumer choice and welfare, and government effectiveness in maintaining high standards of environmental, consumer, and safety protections. Regulatory reforms can be market-opening and ease trade tensions by favouring efficient regulatory approaches that address behind-the-border impediments to international trade and investment. Regulatory reform also reduces the vulnerability of economies to external shocks, reducing the risk of economic crisis. As a result, supply-side reforms to stimulate investment and competition and reduce regulatory inefficiencies have become central to effective economic policy.

The regulatory reform agenda includes objectives of good governance. Regulatory reform today is based on ideas of “regulatory quality,” or the appropriate use of regulation to support market functioning and foster public interests. Pro-competition regulations and institutions, such as competition and consumer policies and independent regulators, are needed to enforce market competition. Domestic regulations will continue to be essential tools of governments to carry out vital public policies such as safety and health, labour standards, environmental protection, and consumer protection, but those regulations should be as efficient as possible to avoid wasting economic resources.

The Jeju Island workshop will provide the setting for the conclusion of the three workshops of the APEC-OECD Co-operative Initiative agreed in February 2001. In particular it will provide an opportunity to examine two regulatory reform issues that are particularly relevant today for discussions and negotiations at national and international levels:

- The complex relationships between fostering transparency and regulatory reform, competition policies, market openness, and
- The state of play and future challenges of regulatory reform in key economic sectors such as telecommunications, electricity and financial services.

The Workshop will be followed by a High Level Conference which will recapitulate the achievements of the APEC-OECD Initiative and discuss the launching of a second biannual programme through a high level conference. The conference will be opened by the Korean Prime Minister and the OECD Secretary-General.

FINAL AGENDA

THIRD WORKSHOP AND HIGH LEVEL CONFERENCE OF THE APEC-OECD CO-OPERATIVE INITIATIVE ON REGULATORY REFORM

16, 17 AND 18 OCTOBER 2002, JEJU ISLAND, KOREA

WEDNESDAY 16 OCTOBER 2002

12:00

Registration

14:00 – 15:00

Welcome and opening remarks

- *Mr. Moon Suk Ahn*, Co-chairman of the Regulatory Reform Committee, Korea
- *Mr. Yung Taek Kim*, Lieutenant Governor for Political Affairs, Jeju Province, Korea
- *Ms. Margarita Trillo*, Convenor of the Competition Policy and Deregulation Group, APEC
- *Mr. Rolf Alter*, Head of the Regulatory Reform Programme, OECD

15:00 – 19:00

Session 1: Enhancing Regulatory Transparency

Regulatory transparency is an important factor of regulatory reform and management. Transparency contributes greatly to the quality and the compliance of regulations. Transparency prevents regulatory failures and corruption as well. It reduces the risk of capture and bias toward concentrated benefits, inadequate information in the public sector, rigidity, market uncertainty and inability to understand policy risks, and lack of accountability. Moreover, transparency helps create a virtuous circle - consumers trust competition more because special interests have less power to manipulate governments and markets, while investors are more willing to enter markets that are seen to have a level playing field. Both in turn demand more transparency. Overall, transparency has become a necessary ingredient for economic actors at national and international levels, including for trade and investment and thus for economic growth. Many countries have developed various ways to ensure regulatory transparency. Based on a key presentation from an international expert, this session will provide an opportunity to exchange views and experiences, between countries and between different areas of expertise, including the public and private sectors. The session will focus on how regulatory transparency is made operational. It will examine selected strategies, tools, and regulatory approaches that increase market transparency and reduce policy risk. These include:

- Techniques of public consultation and notification, including the use of information technologies;
- Controls on administrative discretion and corruption in regulatory enforcement;
- Transparency mechanisms for a successful integration of firms and national economies to the global economy.

Chair: *Rolf Alter*, Head of the Programme on Regulatory Reform, OECD

Rapporteur: *Ali Haddou*, Co-ordinator General RIA, Federal Regulatory Improvement Commission, COFEMER, Mexico

- **Mr. Rex Deighton-Smith**, Jaguar Consulting, Australia. "Assuring Regulatory Transparency"
- **Mr. Manuel-Maria Santiago-Dos-Santos**, Principal Advisor, European Commission. "The European Unions Action Plan on Regulatory Quality"
- **Mr. Junsok Yang**, Senior Researcher, Korea Institute for International Economic Policy, Korea "Regulatory Transparency: What We Learned in Korea"
- **Dr. Suchit Bunbongkarn**, Member of Constitutional Court, Thailand. "Transparency, Regulatory Reform and Control of Corruption in Thailand"
- **Mr. Stuart Carre**, Vice-Chair of the OECD Trade Committee Working Party and former Canadian Deputy Senior Official to APEC, Canada. "Regulatory Reform, Transparency, and Doha"

18:45 – 19:00

Summary by the Rapporteur

19:00 - 20:00

Dinner hosted by Mr. Yung Taek Kim , Lieutenant Governor for Political Affairs, Jeju Province

THURSDAY 17 OCTOBER 2002

9:00- 18:00

Session 2: Regulatory Reform in key economic sectors

Does the regulatory regime for key economic sectors such as telecommunications, electricity or financial services allow the development of efficient domestic and international markets, while protecting other important public interests in the most efficient way? The central reason for reform of these industries is to optimise economic performance, defined in the widest sense to include environmental and security of supply performance. The key to optimising economic performance is a regulatory environment that supports competition and consumer empowerment through application of the core principles for quality regulation at both sectoral and framework levels.

The session will be opened by a key presentation from an international expert. Participants will then join one of three panels working in parallel on a specific sector (*i.e.* telecommunications, electricity and financial services). Based on a template provided by the Secretariat, a rapporteur for each panel will present the main findings in a plenary session in the afternoon.

Chair: *Joanna Shelton*, Director, The Maureen and Mike Mansfield Center, University of Montana

9:00 – 10:00

Plenary session: Presentation of a key speaker

- *Mr. Paul Crampton*, Head, Outreach Unit, Competition Division, OECD. “Striking the Right Balance between Competition and Regulation: The Key is Learning from Our Mistakes”
- *Mr. Korkmaz Ilkorur*, The Head of the Governance Committee of BIAC (Business and Industry Advisory Committee) to the OECD

10:00 – 10:30

Coffee Break

10:30 - 13:00

Panel discussions

Three panels working in parallel will discuss regulatory reform in telecommunications, electricity and financial services sectors. In each panel, panellists will present a country perspective or a thematic issue.

Panel 1: Regulatory Reforms in the Financial Sector

Chair/Rapporteur: Ian Harper, Professor of Business Management School, Australia

- *Mr. John Thompson*, Counsellor, Directorate for Financial, Fiscal, and Enterprise Affairs, OECD. “Regulatory Reform in the Financial Sector”
- *Mr. Thomas Schmitz-Lippert*, Head of International Affairs – Banking Supervision, Germany. “New Financial Supervisory Structure in Germany”
- *Mr. Richard Martin*, Head of Financial Reporting at the Association of Chartered Certified Accountants, United Kingdom. "Trends in the Regulation of the Financial Sector: Accountancy"
- *Mr. Ming-yen Tseng*, Deputy Director of Planning Department, Fair Trade Commission, Taiwan. "Regulatory Reforms of the Financial Sector: Case of Taiwan"

Panel 2: Regulatory Reforms in the Telecommunications Sector

Chair/Rapporteur: Carl Willner, Department of Justice, United States of America

- *Mr. Chong-Hoon Park*, Director of the Telecommunications and Broadcasting Policy Division at the Korea Information Society Development Institute (KISDI), Korea. “Regulatory Reforms in Telecom Services (Korean Experience)”
- *Mr. Stephen Farago*, Assistant Director, Telecommunications, Australian Competition and Consumer Commission, Australia. “The Evolution of Telecommunications Regulation and Competition in Australia”
- *Mr. Michel Roseau*, Responsible for International Affairs, Ministry of Economy-Competition Policy and Anti-competitive Practices, France. “The Regulatory Reform in the Telecommunications Sector in France”
- *Ms. Cui Shutian*, Division Director, Ministry of Information Industry, Peoples Republic of China. "Summary on the Telecom Regulatory Reform in China"

Panel 3: Regulatory Reforms in the Electricity Sector

Chair/Rapporteur: Mr. Mark Ronayne, Senior Commerce Officer, Civil Matters Division of the Canadian Competition Bureau, Canada

- *Mr. Armando Caceres*, Consultant in Competition and Regulatory Policies, Former Convenor Competition Policy and Deregulation Group of APEC, Peru. "Regulatory Reform in the Electricity Sector: The experiences of APEC Economies"
- *Mr. Andrey Tsyganov*, Deputy Minister, Ministry for Anti-Monopoly Policy and Promotion of Entrepreneurship, Russia
- *Mr. Shing Daw Tsai*, Senior Specialist, Fair Trade Commission, Taiwan

13:00 - 15:00

Lunch

15:00 – 16:00

Panel conclusions

Based on a Secretariat template, the rapporteur of the panel will discuss and prepare a report to the Plenary

16:00 – 16:30

Coffee Break

16:30 – 17:30

Plenary session: multidisciplinary discussion

The three rapporteurs of the session will present their conclusions.

17:30 – 18:00

Recent developments in regulatory reform in OECD and APEC

Closing remarks and conclusions of the workshop

19:00 – 21:00

Dinner hosted by Mr. Moon Suk Ahn, Co-chairman of the Regulatory Reform Committee, Korea

**HIGH LEVEL CONFERENCE OF THE
APEC-OECD CO-OPERATIVE INITIATIVE ON REGULATORY REFORM**

FRIDAY 18 OCTOBER 2002

9:00 – 9:30

Registration

9:30 – 10:45

**Opening Address and Keynote Speeches
Challenges, Vision and Strategy of Regulatory Reform in APEC and OECD Economies**

- *Mr. Suk Soo Kim*, Prime Minister, Korea
- *Mr. Donald J. Johnston*, Secretary-General, OECD
- *Ambassador Piamsak Milintachinda*, Deputy Executive Director, APEC Secretariat
- *Mr. Yukio Yoshimura*, Vice President and Special Representative, Japan, World Bank
- *Mr. John Lintjer*, Vice President, Asian Development Bank
- *Mr. Mario Gallo*, Commission Member for the Defense of Competition and Protection of Intellectual Property (INDECOPI), Peru

10:45 - 11:00

Coffee Break

11:00 - 12:15

The APEC-OECD Co-operative Initiative on Regulatory Reform – Continuing the Dialogue

Chairs: *Mr. Rolf Alter*, Head of the OECD Programme on Regulatory Reform, and *Ms. Margarita Trillo*, Acting Convenor of the Competition Policy and Deregulation Group, APEC

- *Representative of OECD Economy*
- *Representative of APEC Economy*

12:15 - 12:30

Closing remarks and conclusions

- *Mr. Key-Chong Park*, Deputy Minister, Prime Minister's Office, Korea

12:30 – 14:30

Lunch hosted by the Minister of the Office for Government Policy Coordination

15:00 - 15:30

Press conference