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INTER-AMERICAN
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**OPENING REMARKS
BY THE HONOURABLE DONALD J. JOHNSTON
SECRETARY-GENERAL OF THE OECD**

at the

First Meeting of the

Latin American Competition Forum

PARIS: 7 APRIL, 2003

OECD/IDB Latin American Competition Forum

Opening Remarks by the Honourable Donald J. Johnston Secretary-General of the OECD

Paris, 7 April 2003

Good morning, ladies and gentlemen. Welcome to this first meeting of the Latin American Competition Forum. This forum brings together competition policy makers and sector regulators of more than 25 countries, mostly from the Latin American region, but also from the U.S., Canada and Europe. I am also pleased to see representatives of international organisations – UNCTAD, the World Trade Institute, and of course many colleagues from the Inter-American Development Bank. I would like to thank the IDB for making this event possible through its generous financial contribution.

This event is the first concrete step in a partnership, launched last August, between the IDB and the OECD to promote competition policy and competitiveness in Latin America. The OECD and the IDB share many objectives: economic and social progress and poverty reduction, economic integration, higher levels of trade and investment, sustainable development, competitiveness, and responsible and transparent governance. I believe that closer co-operation will be very fruitful for both organisations. Indeed, President Iglesias and I will sign this afternoon a Joint Statement of Priorities to guide our cooperation. These priorities include competition and regulatory policy; competitiveness and growth; trade and investment; as well as many other policy fields. We at the OECD are enthusiastic about developing a close working relationship with the IDB in order to realise the full potential of this expanded partnership.

Because of the increasing integration of the world economy it is difficult for OECD to neatly divide its work with its own members from work with our partners in developing and transition economies. We need to co-operate and come together in fora such as this one, to discuss common challenges and experiences.

The OECD has been working with Latin American countries on competition law and policy issues for a long time. Mexico, as a Member of the OECD, of course participates actively in the work of our Competition Committee and its Working Parties. Argentina and Brazil also take part in that work as Observers to the Committee. Many of you have attended our Global Forum on Competition, including the third one which was held Paris less than two months ago. We have also worked with many of you in OECD conferences and workshops on competition that were co-sponsored by governments throughout the Latin American region. Because of the importance and success of this work, the OECD's Programme of Co-operation with non-Members will give higher priority to work in Latin America on competition policy in 2003-2004.

Competition is a policy area that has strong links to most other branches of economic policy, and virtually all sectors of the economy. Therefore, I am pleased that experts from the banking, energy and telecommunications sectors have joined us. Exchanging perspectives and experiences with sector experts is the only way to strike the right balance between competition and regulation in the pursuit of increased efficiency and economic growth.

Concerning the agenda, for this first meeting of the Latin American Competition Forum:

- We and our partners in the IDB decided to begin with a session on Competition and Efficiency as Organising Principles for All Economic and Regulatory Policymaking. This will enable us to explore the relationship between competition policy and regulatory reform.
- Secondly, we wished to focus on how competition policy principles may be applied in three sectors, namely, telecommunications, banking and electricity.
- Thirdly, we thought that this would be an excellent opportunity to invite you to participate in a peer review exercise – in this case of Chile’s competition law and policy. Peer review is one of the core instruments of the OECD for dialogue and policy enhancement, and has featured prominently in the work of our Competition Committee for many years. Chile should be commended for taking a pioneering role, as the second country outside the OECD to volunteer for this exercise in the competition policy area.
- After the peer review session, we will have a roundtable discussion on the challenges facing competition proponents in Latin America. I hope that this forum will assist Latin American countries to meet those challenges.
- In the final session, your suggestions on how to proceed from here will be of paramount importance.

We should not underestimate the importance of what we will be discussing in the coming two days. We live in a world with enormous potential for social progress – if we take the right public policy decisions. Fortunately, countries across the spectrum of development have begun to come together to forge a shared international development agenda. There appears to be broad acceptance that economic growth spearheaded by competition, investment and entrepreneurship is the best way to fight poverty and enhance public welfare. Economic reform guided by competition principles increases wealth, productivity, and international competitiveness. Effective competition law enforcement helps to put a stop to private, anti-competitive conduct that may eliminate or undermine the benefits of market reform and trade liberalisation.

With that I wish you all a fruitful meeting, hoping that the presentations and discussions will be of value in your important work promoting competition in your countries.