

GLOBAL FORUM ON COMPETITION

Paris, 14 February 2002

Opening remarks of Mr. Seiichi Kondo Deputy Secretary General Organisation for Economic Co-operation and Development

1. Good morning, ladies and gentlemen, and welcome. This is the second meeting of the Global Forum on Competition. One year ago, the OECD established eight Global Forums, each focussed on subject areas which defy solutions in individual countries or regions and for which the relevance of OECD work is dependent on interaction and policy dialogue with non-Members world-wide. The objective is to develop networks of policy makers in both Member and non-Member economies that can contribute to mutually beneficial learning, and to enhance the capacity of non-Members to benefit from OECD work as well as to bear on it. When the Global Forum on Competition was launched last year, we had keynote speeches and other formalities that will not be repeated today. This second meeting will have fewer formalities -- and, hopefully, more work. Before you go into the details, I would like to thank you for being here and say a few words about why I consider your work so important.

2. Like the other OECD Global Forums, this one provides a venue for in-depth dialogue on subjects on which the OECD has particular expertise and where the issues are global in the sense of being "borderless." Competition policy certainly meets those criteria. The Competition Committee and the agenda of this meeting deals both with global conduct, such as international cartels and transborder mergers, and also with broader issues concerning the role of competition in economic policy and development throughout the world. We consider this and the other Global Forums to be an important part of a key OECD mission -- to serve as a resource and a bridge between the developed and developing world. Indeed, our founding Convention calls upon the OECD to contribute to sound economic expansion in Member as well as non-Member economies.

3. The merger and cartel discussions you will be having are important, but I want to focus my remarks on the broader issues -- competition policy's relationship to economic growth and development, and the needs and methods of capacity building. I am very pleased that the Forum is addressing these issues, and is doing so at a time when economies of scale resulting from co-ordination with the Competition Council of France permit us to welcome additional invitee economies. At the October Forum meeting, Ministers from India and Russia -- two of the world's largest countries, each with a history of different but very substantial government intervention in the economy -- addressed the role of competition policy in economic reform. Each Minister emphasised different points, but the underlying consensus on the importance of competition policy was a striking example of analytical and political support for reducing poverty through market-oriented institutional and policy reform.

4. I am pleased that you are building on that discussion, and doing so with the participation of the OECD's Development Assistance Committee and Development Co-operation Directorate. Most of you spend most of your time on domestic competition law enforcement or competition advocacy. Few of you, I suspect, consider yourselves experts on international development and poverty reduction. Therefore, some of you may not be fully aware of just how interested your governments and the international community in general have become in using the institutional and policy know-how that underlie your work to promote economic growth, development and poverty reduction throughout the world.

5. In fact, world-wide interest in market reform to support economic development and poverty reduction has intensified greatly over the last decade. While I think it is safe to say that competition officials are not the first people to whom the world turns for advice on development issues, there is strong emphasis on promoting international trade and investment, notably through competition policy, to ensure that developing countries are able to fully realise the benefits. To this end, it is essential to build institutions and adopt laws and policies which make effective use of competition law and policy. In differing ways, the G8 poverty reduction initiative for Africa, the broader development goals of the Monterrey Consensus, and the "trade and competition" goals of the Doha communiqué all mention the importance of competitive market reform.

6. Of course, competition law and policy -- like anti-corruption initiatives -- provides a necessary framework for efficient markets that produce growth and development. The existence of a mainstream competition law reassures potential investors, and competition policy creates opportunities for trade and investment by serving, for example, as a guide to privatisation and natural monopoly reform. In developing economies, competition law and policy also help overcome inefficiency and wasted resources, and can also help ensure that the benefits of market reform go to those with talent and vision, rather than those who already have economic and/or political power. Building on the expertise of its Competition Committee, the OECD has been at the forefront of competition policy capacity-building since 1990.

7. On the other hand, some continue to have questions and concerns, and there are certainly important issues on what the role of competition policy is in particular circumstances. In my view, the virtue of OECD Global Forums is that these issues can be addressed informally through policy dialogue among peers.

8. I will leave you soon to your discussions, but first I want to emphasise that although economies at various stages of development face some specific issues and must tailor their policies to those problems, there are also issues common to all economies. Thus, I am glad to see that the OECD Economics Department will be presenting its new empirical work concerning the positive impact of competition on economic performance and employment in OECD countries.

9. In conclusion, I note the strong interest of our Member countries to have the OECD play an expanded role in promoting economic development through market-oriented institutional and policy reform, including through competition law and policy. All of you -- OECD competition officials, representatives of developing and transition economies, and representatives of NGOs and IGOs -- are essential participants in these efforts. Let me express my confidence that your discussions here today will contribute to creating a more prosperous world that is capable of generating employment in a context of sustainable development.