

NDRC

National Development
and Reform Commission



ORGANISATION FOR ECONOMIC
CO-OPERATION AND DEVELOPMENT

Regulatory Reform Review in China

First Working Groups Meeting

Agenda

Diao Yu Tai Hotel 钓鱼台大酒店

Beijing, China, 12 September 2007

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9.00 – 9.30 Registration

9.30 – 10.00 Opening Session – Regulatory Reform Review in China

Moderator: Mr. Shanchang Xu, Deputy Director General, Economic System Reform Department, NDRC

Opening remarks

- Mr. Jingyuan KONG, Director General, Economic System Reform Department, National Development and Reform Commission (NDRC)
- Mr. Raed Safadi, Head of the Trade and Development Division, Trade and Agriculture Directorate, Organisation for Economic Co-operation and Development (OECD)

10.00 – 11.30 Session 1 – Regulatory Governance: Elements of High-Quality Regulatory Policy

Chair: Mr. Shanchang Xu, Deputy Director General, Economic System Reform Department, NDRC

Governments use regulation to determine economic, public and social behaviour. Regulatory policy is prominent in public governance due to its involvement in all aspects of public policy. Historically, each regulatory system has been set up differently to face similar problems and obstacles. Some of the countries that undertook a transition from centrally planned to market led economies laid part of their success in solid regulatory reforms. Sound regulation might ensure orderly application of economic changes, soften perverse effects of market failures, promote a competitive environment and raise domestic and foreign trust in the economy and the government. There are certain commonalities in the pillar elements but adaptability and innovation have been an essential part in the development of this discipline in all OECD countries. This session will be an opportunity to explore the common elements and areas of good practice.

How to ensure regulatory compliance in an efficient way is one of the main regulatory goals searched everywhere. Administrative burdens are one of the elements that prevent regulation users from complying with regulation easily. Sources of administrative burdens are diverse: complicated and expensive administrative obligations, uncontrolled flow of regulation feeding the system, unorganised stock of regulation, opaque regulatory mechanisms, etc.

OECD countries have been working for decades aiming at the reduction of regulatory burdens; administrative simplification is one of the most advanced disciplines in regulatory policy. This regulatory tool uses other policy tools in the production and improvement of regulation: Regulatory Impact Analysis (RIA) helps understanding better the economic effects of regulation; Public Consultation provides concrete mechanisms to participate in the regulatory processes, creating more realistic rules which are better supported and understood by their users; alternatives to traditional command and control regulation reduces the cost of regulation and help bringing innovative solutions. During this session these elements will be defined and good practices will be shared.

Speakers

- **Dr. Shin Kim, Director, Regulatory Research Center, Institute of Public Administration, Korea.**

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- **Mr. Daniel Trnka**, Director, Department for Regulatory Reform and Public Administration Quality, Ministry of Interior, Czech Republic.

Documentation

- *OECD Regulatory Reform: Experiences from OECD countries.*
- *OECD Policy Brief: Korea: Progress in Implementing Regulatory Reform. 2007.*
- 韩国规制改革——经济合作与发展组织考察报告. 2007 (Korea: progress in implementing regulatory reform. OECD Regulatory Reform Reviews)

11.30 – 11.45 *Coffee Break*

11.45 – 12.45 **Session 2 – Competition and regulation: complementary principles in enterprise economies**

Chair: Mr. Shanchang Xu, Deputy Director General, Economic System Reform Department, NDRC

Regulatory policies that increase, rather than suppress, the role of competitive forces can encourage investment, improve productivity and increase employment. Systematic reforms to promote market competition create resilient, adaptable economies that grow faster and create more, better jobs. Regulation and competition could be related in several ways. Regulation might be inconsistent with competition policy. Or, regulation might try to replace or duplicate competition policy. Finally, regulation might use competition-policy methods to accomplish its goals.

The session will explain why competition occupies a central place in the OECD's principles of regulatory quality and performance, in part through OECD research that links competitive regulatory policies with better productivity and economic performance; and how competition issues are treated in common regulatory settings, such as restructuring public services and protecting consumers.

Speaker

Mr. Michael Wise, Head of Country Studies, Competition Division, OECD

Documentation

- *OECD Competition Assessment Toolkit. Version 1.0.*

12.45 – 14.00 *Lunch Break*

14.00 – 15.45 **Session 3 – Market Openness and Regulatory Reform: Understanding the Links to Enhanced Economic Performance**

Chair: Mr. Raed Safadi, Head of the Trade and Development Division, Trade and Agriculture Directorate, OECD

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With the expansion of economic globalisation and the fall of traditional barriers to trade, the complementarities of market openness and regulatory reform are increasingly important. Trade and investment liberalisation can be an important factor in successful regulatory reform, while regulatory reform can play a strong role in ensuring liberalised conditions for trade and investment bring the expected benefits in economic performance. When designed and implemented properly, regulatory reform creates a well regulated domestic environment that improves efficiency of the economy and also increases the flow of international trade and investment. Good regulatory quality encourages productivity, investment and innovation, creates new jobs, and boosts growth and competitiveness. The prospect of these domestic benefits is the basic and indispensable driving force for regulatory reform.

This session will examine three examples of linking regulatory reform to enhanced economic performance. The first is a discussion of domestic transparency in Australia's economic and trade reforms. The second is the European Union's experience on how trade and investment friendly regulations enhance economic performance. The third discusses Sweden's country experience with regulatory reform and market openness.

Speakers

- **Mr. Patrick A. Jomini**, Assistant Commissioner, Economic and Labour Market Research Branch, Australia Productivity Commission, Australia.
- **Mr. Miguel Ceballos-Baron**, Head of the Trade Section, European Commission Delegation in China, EU.
- **Mr. Per-Arne Hjelmhorn**, Minister - Economic Affairs, Embassy of Sweden in China, Sweden.
- **Mr. Hyung-Jong Lee**, Deputy Director, Economic Organizations Division, Ministry of Foreign Affairs and Trade, Korea.

Documentation

- *Structural Reform Australian-Style: Lessons for Others?*
- *Domestic transparency in Australia's economic and trade reforms: the role of "the Commission"*
- *Regulatory Reform in Sweden: Enhancing Market Openness through Regulatory Reform, OECD 2007.*
- *Korea Monitoring Exercise: Market Openness through Regulatory Reform, OECD 2007.*

15.45 – 16.00 Coffee Break

16.00 – 17.30 Session 4 – OECD Experience and Evidence in Public Infrastructure

Chair: Mr. Nikolai Malyshev, Principal Administrator, Regulatory Policy Division, OECD

The longer-term future performance of OECD economies, and indeed of the global economy, will depend to an important extent on the availability of adequate infrastructures to sustain growth and social development. This is a huge challenge for governments and businesses around the globe.

OECD countries too will be required to invest heavily to maintain, upgrade or replace existing (and often

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ageing) infrastructures, and to preserve their international competitiveness. In particular for OECD countries, infrastructure investment will be challenged by a range of fundamental long-term trends. These include growing pressures on public finances as a result of population ageing, the demands of expanding international trade, the consequences of climate change, and rising expectations with respect to the quality of the environment. Concerns around reliability and security are also likely to loom larger in future.

The implications of these trends for the ways that infrastructures are built and operated today are likely to be far-reaching. For example, more innovative approaches to private sector finance will be needed, including diverse forms of public/private partnerships and greater recourse to pension funds and other large institutional investors. Moreover, the role of pricing is set to become increasingly critical in all these infrastructure sectors, be it to combat congestion, better manage demand, or raise the required funding for investments.

There is also likely to be greater demand for workable frameworks for strategic decision-making on infrastructure, which connect effective long-term planning with reliable, long-term sources of investment. And more widespread, intelligent deployment of new technologies will be called for, which make more effective and efficient use of existing infrastructure systems.

Finally, governments will have to step up international co-operation to improve the efficiency, reliability and security of flows of goods, services and information across trans-border infrastructures. If infrastructures are to continue to provide the underpinnings of sound and sustainable economic performance, then their planning, development and financing need to be seen and addressed in a long-term policy perspective.

Speakers

- **Dr. Graeme Hodge**, Director of the Centre for Regulatory Studies, Monash University, Australia

Documentation

- *Infrastructure to 2030: Telecom, Land Transport, Water and Electricity*. OECD, 2006.
- *Regulatory Frameworks for Urban Services – Professor Graeme Hodge*, June 2007.

17.30 – 18.00 Closing Session – Working Groups next steps