

**INTEGRATING MARKET OPENNESS INTO
THE REGULATORY PROCESS:
LINKING GOOD GOVERNANCE AND THE
DDA**

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I. OBJECTIVES OF THIS PRESENTATION

- Provide a basis for the work of this Global Forum to deepen understanding of issues arising in the DDA;
- Introduce a ***conceptual framework*** for assessing national experiences with trade-friendly regulatory reform;
- Identify some ***'best regulatory approaches'*** for successful liberalisation, particularly in the fields of **trade in services, non-tariff barriers** and **trade facilitation**.

II. SIX 'PRINCIPLES OF EFFICIENT REGULATION'

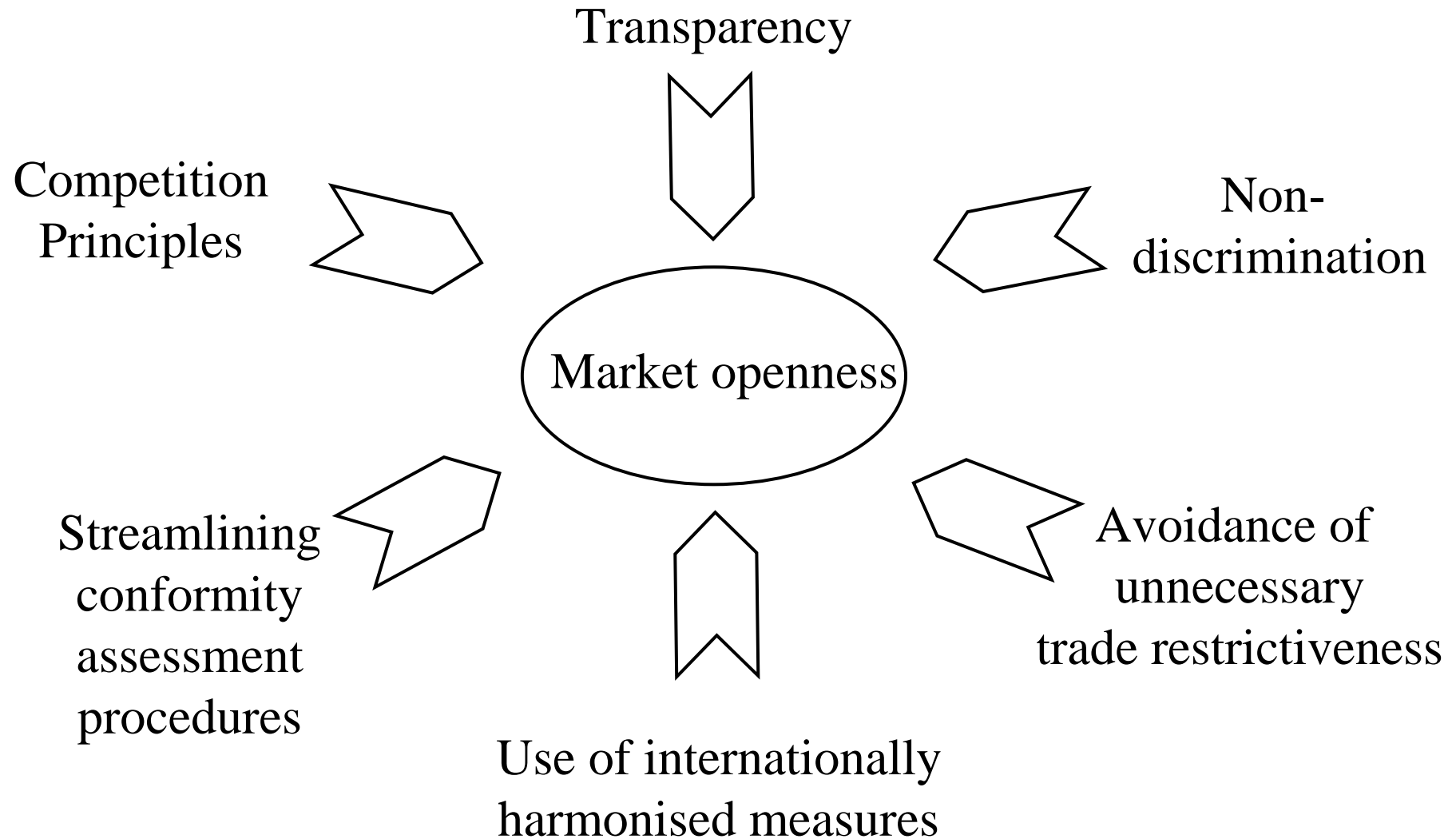
A. Why use a conceptual framework based on principles?

- Much domestic regulation impacts explicitly or implicitly on trade;
- Uniform regulations across countries are not a realistic option;
- Principles can provide orientations that allow countries to choose regulatory objectives and appropriate implementation;
- Principles can provide a balanced approach, despite differing regulatory situations; e.g. according to sectors or commitments.

B. How regulatory principles ensure full benefit from trade liberalisation

- Point to the costs and benefits of regulation for all stakeholders;
- Provide business (domestic and foreign) with predictable conditions;
- Emphasise the need to reduce discretionary or arbitrary implementation;
- Facilitate identification of valid regulatory alternatives.

C. What the principles are:

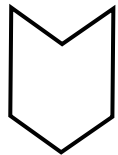


III. SOME BEST REGULATORY PRACTICES FOR MARKET OPENNESS IN THE DDA

A. Transparency

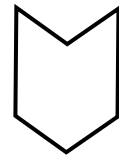
High profile in DDA;

Concerns procedural aspects of trade and is not policy-specific.



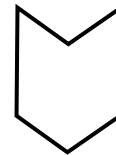
Public availability of information:

*Publication of information;
Enquiry points;
Websites.*

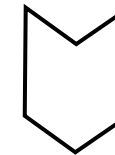


Public consultations

Prior notice and comment procedures open to foreign and domestic suppliers.



Simple, predictable procedures .



Transparency for government procurement
to strengthen contestable markets.

B. Non-discrimination

- 1 A pillar of WTO and implicitly throughout DDA.
- 2 RTAs based on open regionalism.
- 3 Clear, open appeals procedures, with non-discriminatory access for foreigners.
- 4 Liberal policies toward **foreign ownership and investment.**

C. Avoidance of unnecessary trade-restrictiveness

1) Simplification of customs and Administrative requirements (contributing to trade facilitation):

*‘One-stop shop’ for information;
“One-window” for transactions;
Accelerated customs clearance;
Use of automation in documentation, procedures.*

2) Awareness of trade and investment implications of regulations:

Regulatory Impact Analysis (RIA);
Communication between trade and regulatory officials.

3) Use of performance rather than design criteria

4) Consider regulatory alternatives:

Independent regulators;
Self-regulation.

D. Use of internationally harmonised measures

- 1 Seeking multilateral rules, as appropriate.
- 2 International **harmonisation of procedures.**
- 3 Aspects relating to TBT and SPS Agreements:
 - Reference to international standards;
 - Acceptance of equivalency of foreign measures.

E. Streamlining conformity assessment procedures

(Dealt with under TBT and SPS Agreements)

- 1 Avoidance of **duplicative** procedures

- 2 Appropriate use of **alternatives to conformity assessment**:
 - Mutual recognition covering testing or certification;
 - **SDOC**;
 - **Unilateral recognition of results.**

F. Competition principles

- 1 Importance recognised in DDA.
- 2 Need to ensure that deregulation or privatisation strengthens competition, for domestic and foreign suppliers, and avoids emergence of anti-competitive practices:
 - **Effective access to networks**, e.g. telecommunications;
 - **Openness of industrial associations**;
 - **Effective complaint procedures**.

IV. CONCLUSION

Trade liberalisation and rule-strengthening in the DDA touch on issues of domestic regulation.

Trade costs and benefits arising from regulatory measures differ according to country and circumstances.

- Economic benefits derive from greater efficiency
- Implementation costs vary to type of measures
- Country differences in regulatory capacity procedures is a need for technical assistance and capacity building.

Efficient regulation principles practices underpin market access without restricting domestic regulatory objectives.

- Role of co-operation between regulators and trade policy officials.
- Is there scope for pursuing good regulatory principles or practices through the WTO?

IV. CONCLUSION-continued

This Global Forum should help increase understanding of possibilities for overcoming potential trade problems related to regulation, especially in the fields of services, NTBs and TF.