

SEMINAR ON REGULATORY REFORM & MANAGEMENT

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environment**

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**Experience and best practices in achieving regulatory
efficiency and open markets**

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I. INTRODUCTION

A. INTERRELATIONS BETWEEN TRADE AND DOMESTIC REGULATION

- **Past progress in *tariff* liberalisation makes *regulatory* trade barriers increasingly obvious**
- **To draw full benefit from trade liberalisation, regulatory reform becomes necessary.**
- **Obligations in the multilateral trading system may entail commitments to regulatory reform.**
- **To be successful, regulatory reform must take account of the trade and investment impact of regulations.**

B. OBJECTIVES OF THIS PRESENTATION

- **Consider a conceptual framework developed in OECD for assessing the trade and investment friendliness of domestic regulations;**
- **Examine regulatory “best practices” with respect to market openness.**

II. SIX “PRINCIPLES OF EFFICIENT REGULATION”

- **Have been identified by the OECD Trade Committee to assess the implications of regulatory practice for market openness.**
- **Already underpin the WTO, especially the TBT/SPS Agreements and the GATS.**
- **Are interrelated and form a comprehensive package.**

A. Political and institutional environment of Government-sponsored reform

- **Dialogue with range of stakeholders:**
 - **trade liberalisation vs. social objectives;**
- **Dialogue between different countries: developed, developing, emerging markets;**
- **Domestic good governance vs. multilateral rule-making;**
- **Rapid technological innovation.**

B. The six “Principles of efficient regulation”:

- **Transparency and open decision-making;**
- **Non-discrimination;**
- **Avoiding unnecessary trade restrictiveness;**
- **Use of internationally harmonised standards;**
- **Avoiding duplicative conformity assessment; and**
- **Use of competition principles.**

C. Benefits of principles for market access and regulatory efficiency

- **Make costs and benefits clear to all stakeholders;**
- **Provide business with predictable conditions;**
- **Reduce discretion or arbitrary implementation;**
- **Facilitate identification of alternatives favouring trade, investment, competition and economic growth;**
- **HOWEVER (1) established interests may contest benefits; (2) domestic sensitivity in giving foreigners a voice.**

III. BEST REGULATORY PRACTICES FOR MARKET OPENNESS

A. Transparency

- 1. Focus on measures that significantly affect trade and investment;**
- 2. Dissemination of information through systematic publication;**
- 3. Consolidated codes and enquiry points;**
- 4. Prior consultations (notice & comment procedure);**
- 5. Clear administrative procedures.**

B. Non-discrimination

- 1. Due process;**
- 2. Open regionalism;**
- 3. Public procurement: transparent and open.**

C. Avoidance of unnecessary trade restrictiveness

- 1. RIA: consider purpose and impact of regulations, including on trade & investment; consider alternatives;**
- 2. Performance vs. processing requirements;**
- 3. Independent regulators;**
- 4. Trade facilitation and simplified customs procedures.**

D. Internationally harmonised measures

- 1. Reference to international standards;**
- 2. Recognition of equivalent foreign measures.**

E. Avoiding duplicative conformity assessment procedures

- 1. Mutual recognition**
- 2. Supplier's declaration of conformity (SDOC);**
- 3. Unilateral recognition;**
- 4. Voluntary arrangements.**

F. Competition principles

- 1. Effective complaint procedures;**
- 2. Openness of industrial associations;**
- 3. Effective access to networks.**

IV. CONCLUDING REMARKS

- **Based on the GATT/WTO system, the "principles of efficient regulation" seem broadly relevant for all countries.**
- **Our understanding of them is evolving, recognising that situations differ among countries and sectors.**
- **"Best practices" identified are worth consideration, at both the national and multilateral levels.**
- **Collaboration between OECD and Russia can be important in advancing understanding.**