



## 2<sup>ND</sup> OECD WORKSHOP ON TRADE AND INVESTMENT BY STATE-OWNED AND STATE-CONTROLLED ENTERPRISES

Paris, 19 June 2014

Room CC6, OECD Conference Centre, Paris, France

Recent empirical research has shown that state-owned and state-controlled enterprises are increasingly competing with private firms in global markets for market share, resources, ideas and intermediate products. The potential for distortions in international markets might thus be significant if these firms benefit from undue advantages granted to them by governments—an allegation that is often raised in political and business communities. At the same time there is interest in ensuring that trade and investment by state enterprises that operate according to market principles are not hindered or discriminated against.

Thus, there is a need for an informed differentiation between trade and investment-distorting and neutral practices, and for an improved understanding of the extent to which these are inherent to state enterprises. This will ultimately result in better approaches to international rule making and better conditions for doing business globally.

The objective of this workshop is to provide an opportunity to discuss the latest empirical evidence and to exchange views on implications of international trade and investment by state enterprises, with a view of informing future analytical and policy initiatives at the OECD and elsewhere.

*The Workshop will be held under the Chatham House Rule\**

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\* Participants are free to use information from the discussion, but are not allowed to reveal who made any comment.

<p><b>9:00-9:15</b></p>	<p><b>Welcoming remarks:</b></p> <p><b>Mr. Luiz de Mello</b>, Deputy Chief of Staff, OECD</p> <p><b>Mr. Bernhard Welschke</b>, Secretary General, Business and Industry Advisory Committee to the OECD</p>
<p><b>9:15-10:45</b></p>	<p><b>Session 1: International Trade and Investment by State-Owned and State-Controlled Enterprises—Evidence and Challenges</b></p> <p>In the past, state enterprises have mainly served the domestic market, often in sectors shielded from competition. Today many of them compete with private companies, not only domestically but also internationally. To set the scene for discussions, this session aims to characterise the economic importance of state enterprises in international trade and investment and highlights the issues that emerge.</p> <p>Chair: <b>Junji Nakagawa</b>, Institute of Social Science, University of Tokyo</p> <p>“Setting the scene: latest OECD evidence on incidence, performance and international trade and investment of state enterprises” joint presentation by <b>Hans Christiansen</b> and <b>Yunhee Kim</b>, Corporate Affairs Division; <b>Michael Gestrin</b>, Investment Division; and <b>Przemek Kowalski</b> and <b>Kateryna Perepechay</b>, Development Division, OECD</p> <p>“Competing with state enterprises in the BRICS” by <b>Fabian Delcros</b>, Rock Creek Global Advisors LLC</p> <p>“Government as a dominant shareholder and corporate pay-out policy: evidence from French national champions” by <b>Fahmi Ben-Abdelkader</b>, ESCP Europe</p> <p>“Competing with the State: the need for rules of the road” by <b>Sean Heather</b>, US Chamber of Commerce</p> <p>Discussion</p>
<p><b>10:45-11:00</b></p>	<p><b>Coffee break</b></p>
<p><b>11:00-13:30</b></p>	<p><b>Session 2: Motives for and challenges associated with state control of enterprises</b></p> <p>Different countries may have different expectations with respect to their state enterprises and they have different regulatory traditions and approaches. The key concern in this context is that some internationally competing state enterprises may be provided with advantages that improve their competitive position in international markets. But there is also strong interest in ensuring that trade and investment by state enterprises that operate according to market principles is not hindered or discriminated against. This session aims to collect views on the international activity of state enterprises and their implications.</p> <p>Chair: <b>Anne E. Molyneux</b>, Director, Consultants and Strategists International and BIAC representative</p> <p>“The role of the state in the economy of the U.A.E.” by <b>Abdelsalam Mohammed Al Ali</b>, Director of the Foreign Trade Policies, Ministry of Economy, United Arab Emirates</p>

	<p>“Chinese SOEs in a comparative perspective” by <b>Zhengjun Zhang</b>, King Parallel, China</p> <p>“Doing business in the energy sector” by <b>Jan Gerrit Westerhof</b>, DG Trade, European Commission</p> <p>“State intervention in steel and aluminium trade” by <b>Alan Price</b>, Wiley Rein LLP</p> <p>“Competing with state telecommunication services providers” by <b>David Juan Frautschy Heredia</b>, Telefónica S.A.</p> <p>Discussion</p>
<b>13:30-15:00</b>	<b>Lunch</b> (George Marshall Room, Château de la Muette)
<b>15:00-16:30</b>	<p><b>Session 3: International rule-making</b></p> <p>There are different views on how to obtain a level playing field in the international trade and investment context. Since state and private firms alike can be favoured by the state, some argue for ownership-neutral rules and advocate disciplining the use of various state-granted advantages that can influence the competitive position of firms engaged in commercial activities rather than focusing on ownership per se. Others, however, argue that ownership implies the existence of certain interests, rights and obligations characteristic to an owner. They therefore consider that there is a case for a state ownership-specific approach to regulation. This session will offer a discussion of the different approaches to international rule-making in this area.</p> <p>Chair: <b>Trudy Witbreuk</b>, Head of Development Division, Trade and Agriculture Directorate, OECD</p> <p>“WTO rules on state trading” by <b>Gabrielle Marceau</b>, World Trade Organization</p> <p>“The emerging rules on state-owned enterprises” by <b>Junji Nakagawa</b>, Institute of Social Science, University of Tokyo</p> <p>“Making WTO rules work for state and private enterprises” by <b>Amelia Porges</b>, Law Offices of Amelia Porges PLLC</p> <p>“State capitalism and state responsibility” by <b>Regis Bismuth</b>, University of Poitiers</p> <p>“Is there a need for state ownership-specific competition policy standards?” by <b>Antonio Capobianco</b>, Competition Division, Directorate for Financial and Enterprise Affairs, OECD</p> <p>Discussion</p>
<b>16:30-16:45</b>	<b>Coffee break</b>

<p><b>16:45-18:00</b></p>	<p><b>Session 4: How can the OECD help? A Roundtable</b></p> <p>The public, business and governments alike have an ultimate interest in ensuring that goods and services are produced by those who can do it most efficiently. However, achieving a level playing field between state and private enterprises in an international context is difficult. OECD offers a convenient forum, as well as the requisite expertise and experience in relevant policy areas, for taking these discussions forward. This session will address what may be the most useful steps for the OECD to help governments translate a shared vision for a level playing field in the long-term into short- and medium-term implementable priorities and policy initiatives.</p> <p>Chair: <b>John Drummond</b>, Permanent Delegation of Canada to the OECD and Chair of the Working Party of the OECD Trade Committee</p> <p><b>Anne E. Molyneux</b>, Director, Consultants and Strategists International and BIAC representative</p> <p><b>Jan Gerrit Westerhof</b>, DG Trade, European Commission</p> <p><b>Junji Nakagawa</b>, Institute of Social Science, University of Tokyo</p> <p><b>Aylin Lusi</b>, UPS Europe SPRL/BVBA and BIAC representative</p> <p>Discussion</p> <p><b>Concluding remarks:</b></p> <p><b>Raed Safadi</b>, Deputy Director, Trade and Agriculture Directorate, OECD</p> <p><b>Pierre Poret</b>, Acting Deputy Director, Financial and Enterprise Affairs, OECD</p>
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