

12TH MEETING OF THE GLOBAL FORUM ON COMPETITION

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Opening Remarks by Richard A. Boucher OECD Deputy Secretary-General

Ministers, Secretary-General Supachai, Chairman Jenny, Ladies and Gentlemen –

It is a great pleasure for me to welcome all of our distinguished delegates and speakers, to this the twelfth OECD Global Forum on Competition.

I am particularly pleased to be able to welcome Dr Supachai Panitchpakdi, Secretary General of UNCTAD, as our guest of honour in this opening session. Welcome back to the OECD, Dr Supachai. Our organisations have stood together in recent years to warn the world against reacting to economic adversity with a lurch back to damaging, protectionist policies. As you know, I spoke about this at your Ministerial Roundtable, at UNCTAD's 2012 World Investment Forum last year, Secretary-General, and in our joint report to the G20 last year, together with the WTO, our Organisations said

“G-20 governments should resist any further deterioration in their collective trade policy stance and rely on open markets and the benefits of freer trade to help reboot growth in the world economy.”

In these difficult times, policymakers naturally seek alternative approaches, and it is vital that international organisations like ours help them to explore good new ideas, and to resist the temptation to reach back for bad, older ones. We share a commitment to economic development, open markets, good governance and trade – a commitment you yourself have illustrated throughout your career, as an economist, a senior Minister, head of the WTO, and now Secretary General of UNCTAD. It is always a pleasure to share a platform with you.

Our own Secretary-General Gurria is very much looking forward to joining you later today and delivering some closing remarks to this first session. So let me just set the scene a little.

Our main topic - competition and poverty reduction – could not be more important, or more timely. We continue to face a challenging global outlook in 2013; Europe is not growing, and the economies of China and in South East Asia are slowing. Recovery in the world economy relies on the development of multiple engines of growth, and a global commitment to more competitive markets.

As the world economy continues to struggle in the worst recession of our lifetimes, we must continue to focus on poverty reduction. For almost all of human history, most people have been desperately poor. Over the past 30 years, absolute poverty has fallen dramatically, and the reason is the spread of open, market economies and better governance. These elements come together in

competition policy, which aims to promote competition through transparent and fair legal frameworks.

Yet over a billion people still live in absolute poverty worldwide. Furthermore, there is poverty in all countries, no matter how rich. The poor are often excluded from the very competitive markets that we so easily take for granted. So not only do they have lower incomes, but they may even pay much more for basic services. Studies in my own country, the United States, have found that the poor pay more for long distance telephone calls, for instance, and for financial services. How can we ensure that competitive markets serve these people as well as they do the more affluent consumers? And how can those same competitive mechanisms promote pro-poor growth, to help to lift them out of poverty?

I think both our organisations (OECD and UNCTAD) recognise that the changing landscape of international business provides opportunities only if businesses are free to compete to take them, and if they have been strengthened by domestic competition, to enable them to expand to international markets.

Economic policy has to focus both on growth and also reducing the growing rate of global inequality. The origins of competition policy are in supporting the little guy against the monopolist. Removing rents and creating a level playing field gives new businesses the opportunity to earn a return on their investment, both creating incentives and sharing the rewards from increased economic activity. Policymakers and enforcers of law have a crucial role to play here, and there is a link with the fight against corruption too. It is the poor who are victimised by corruption everywhere. The OECD has been particularly active lately through its CleanGovBiz programme, in helping governments to prevent, detect and fight corruption. Competition is a vital part of this process, because competitive markets reward those businesses that best meet their customers' needs, not those who have connections or give bribes. When Government regulations protect monopoly, they create an incentive for corruption; when private sector firms collude to raise prices, the proceeds corrupt the political process. Breaking open this vicious circle is central to the mission of a competition authority.

In this room, we have competition experts and enforcers from all over the world, and many of the contributions you delegates have provided for today's discussion contain inspiring examples of how markets can be transformed to meet the needs of all. As you swap stories today – with one another and with our invited experts – I am confident that you will find many ways in which a competition authority can be rigidly unbiased and fair in its work, while serving the interests of the poorest in our society.

Mr Secretary-General, once again, I am delighted that our two organisations are working together here like this. I invite you formally to open the twelfth OECD Global Forum on Competition.