

**Message from Mr. Rubens Ricupero
Secretary-General of UNCTAD**

**Read at the opening ceremony of the Regional Seminar for Latin America and
Caribbean Countries on the post-Doha WTO Competition Issues**

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It is with great pleasure that I greet you from Geneva on the occasion of the Regional Seminar for Latin America and Caribbean Countries on the post-Doha WTO Competition Issues. This seminar aims at assisting Latin American and Caribbean countries in harmonizing their position in the area of competition law and policy, in preparation for upcoming negotiations at the international and sub-regional level. Discussions at the seminar will also be of use for the preparations for UNCTAD XI, to be held in São Paulo in June 2004.

This seminar is the first official post-Doha event that UNCTAD is organizing jointly with entities of the Government of Brazil – the Administrative Council for Economic Defence (CADE) and the São Paulo School of Law of Getulio Vargas Foundation (EDESP/GVF) - as well as other Latin American and Caribbean institutions.

Having greeted my Brazilian compatriots in Portuguese, with the permission of the audience, I shall now address the other Latin American participants in Spanish.

I would like to tackle on the issue of competition policy from a Latin American perspective.

In my opinion, the importance of competition is independent of whether or not a decision is taken at the WTO meeting to be held in Cancun in September, where the possibility of negotiating a multilateral framework on competition within the WTO will be discussed.

Regardless of the decision to be taken in Cancun, it is increasingly acknowledged that competition issues need to be taken in consideration in the context of formulating and implementing development policies.

We are aware that Professor Joseph Stiglitz, in his now famous critique of the Washington Consensus, said that one of the main shortcomings of that Consensus was its neglect of the importance of competition policy for economic development and for the establishment of appropriate rules and institutions in the economy.

We must start from a solid base: if we accept that a market-based economy should promote development, then we need to recognize the need for appropriate competition laws that are working within a specific legal framework and institutions towards the attainment of that objective. In this regard, we must not think of competition as a marginal or luxury component of development policy that a developing country can afford to postpone until it has achieved a given level of development.

UNCTAD has always considered competition to be an integral part of development strategies. Over the past 20 years it has worked extensively on formulating and implementing

norms aimed at preventing or prohibiting restrictive business practices, such as cartels established by private enterprises to allocate both internal and external markets among themselves and to fix prices.

The importance of competition stems to a large extent from its being a basic and fundamental element of competitiveness. An adequate internal competition framework is indeed a necessary input into the development of a competitive market within an economy. Export performance is also boosted by a well-functioning competition framework. But competition has another dimension, the importance of which is increasingly recognized: I refer to that of consumer protection. If we want to shape the economy in such a way as to ensure a relatively high level of both competitiveness and consumer protection, then we need to formulate solid norms of competition.

In this respect, it is worth mentioning the danger originating from abuse of dominance in the market, particularly in such sensitive areas as health and food. In these sectors, there is a need to have adequate consumer protection, and to work towards that objective, especially in countries where such protection does not yet exist.

I would like at this point to turn to another desirable characteristic of competition policies, which is the need to establish competition norms in a gradual manner, without haste. Many developing countries do not have competition laws yet; in some developing countries such laws are at an early stage; and still others have considerable experience in this area. Each country must consider its specific characteristics and circumstances when formulating and implementing competition policy, and should be able to choose the rhythm at which to advance. It is for all these reasons that UNCTAD strives to tailor its technical assistance in the field of competition to the specific needs of each developing country.

A gradual approach should also be applied to the promotion of greater convergence among competition policies and laws within regional or sub-regional groupings, such as ALCA, MERCOSUR and the Andean Community.

If competition is to operate as an efficient tool for development, then the harmonisation of competition regulations should not entail the imposition of external patterns that countries may not be ready to follow. The experience gained by other countries and regions should also be considered, and their knowledge put to use, in favour of the harmonization of policies.

All these issues will be discussed during the seminar. We must try to prepare a publication from the outcome of the meeting, which gives shape to the central message given to you today: if we want to shape the economy in such a way as to ensure a relatively high level of both competitiveness and consumer protection, then we need to formulate solid norms of competition and review periodically their operation.

I am convinced that the outcome of this seminar will live up to the expectations that we have placed on it.