Remarks on Competition Policy and Economic Growth and Development

Presented by the
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BIAC welcomes the opportunity to provide its views to the OECD Global Forum on Competition on issues related economic growth and development. We suggest that the following points are relevant for consideration:

- For the creation of competitive industries in market driven economies, new competition regimes should not introduce just another form of regulation of the market. A competition regime however will only bring positive results if it is part of a broader policy framework including deregulation, trade and investment liberalisation, and privatisation;

- A sound competition regime should give due regard to the fundamental fairness of enforcement actions. Essential internal procedural safeguards should include transparency of the process and non-discriminatory application regarding nationality of the parties concerned;

- Building a competition culture is of the essence, sufficient awareness of competition principles has to be created and maintained among other government agencies, academia, business, and the general public;

- Competition law enforcement in most developing countries should focus on horizontal price fixing, bid rigging, market allocation where enforcement action most likely is to protect consumers;

- For developing countries an effective competition law must be flexible enough to permit rationalisation and consolidation that are frequently essential in order to maximise efficiencies and economic welfare in the course of structural adjustment;

- An overly ambitious application of competition law risks deterring socially desirable investments in innovation and technology transfers which rely on protecting intellectual property rights;

- Co-operation with other competition authorities, ranging from exchanges of experiences, to discussions on areas of common interests, is fundamental as may be case specific co-operation (subject to appropriate safeguards). Unilateral action regarding international business activities has limited effectiveness and may lead to jurisdictional conflicts.