

World Competition Day
Prioritising Socially Sensitive Sectors

Tuesday, December 05, 2023, WTO, Geneva

WELCOME SPEECH BY PSM

Good evening and a very Happy World Competition Day!

I welcome you all to this joint CUTS-WTO-UNCTAD conference to celebrate the World Competition Day, for which the chosen theme this year is Prioritising Socially Sensitive Sectors. We thank WTO for hosting this conference, like it did last year.

We celebrate 5th December as World Competition Day because on this date in 1980 the UN Set of Principles and Rules on Competition was adopted by the UN General Assembly. Though a non-binding, the UN Set remains the only multilaterally agreed instrument on competition policy till date.

UNCTAD is the nodal agency for this international instrument. Teresa may throw more light on this.

Since 2010, CUTS has been spear heading a campaign to get fifth December officially adopted as World Competition Day. Till last year, we have been able to bring on board 54 competition authorities, who join us in celebrating this day. If we count other institutions, we have received support from around 70 countries.

Why Prioritise Socially Sensitive Sectors?

As we know the world is going through polycrisis, which include: climate change extremes, armed conflicts and pandemic. In addition, geopolitics is increasingly driving trade and investment relationships between countries.

All these are leading to uncertainty in high level decision making whether in firms or governments or even intergovernmental organisations.

The results are broken or slow reorientation of global supply chains with effects like rising inflation, loss of jobs or lesser income opportunities, shortages of food and medicines etc. Not only poorer sections are being hit the hardest, this is widening the existing socio-economic inequalities. This goes against the essence of ‘building back better or broader’ – a call given during the pandemic.

Competition policy, and its interaction with trade and industrial policies as well as other sectoral regulations, can play important role in rectifying this deteriorating state of play.

In October this year, we organised our flagship Biennial Conference in New Delhi on this very theme – Prioritising Socially Sensitive Sectors. Speakers from 28 countries shared their viewpoints on relevant sectors and issues, such as healthcare & pharmaceuticals, food & agriculture, employment and gig economy, climate change, and ICT & digital economy. Teresa and Alexey were there in-person. In fact, BRICS Competition Law & Policy Centre was one of the collaborators.

One of the overarching outcomes of the Biennial was that competition enforcement alone is not sufficient and that a coordinated effort by the governments, sector regulators and competition authorities are need to solve competition concerns in such sectors. I am highlighting some of the relevant specific points:

Health & Pharmaceuticals

- **Price control of pharmaceuticals, particularly of the generic versions, should be invoked only in cases of market failure. Else this could**

have market distortionary effects and can curtail the benefits of competition.

- **There are regulatory/domestic barriers in developed countries like the US and the EU which restricts exports of cost-effective generic drugs from developing countries like India into such countries.**
- **A pro-competition patent regime enhances access to affordable medicines. India's patent regime can be a model for countries willing to incorporate TRIPs flexibilities.**
- **There is a need for scientific investigation to ascertain the optimality of the regulation of biosimilars (generic versions of biological drugs).**
- **Role of regional competition authorities in Africa was crucial in enhancing trade in the region on socially sensitive products like food and medicine, which increased availability and affordability of such products.**

Food & Agriculture

- **There is high concentration in agriculture trade, only 4-5 firms control the global trade. There are also signs of anti-competitive practice in the functioning of commodity markets.**
- **Huge agriculture subsidies in developed countries have significant competition distortionary effects, harming farmers in developing countries.**
- **The support entitlements under the WTO AoA presents a situation, where, on the one hand, huge subsidies are distributed to a small number of farmers (largely in developed countries); on the other hand, small subsidy amounts are distributed to a large number of farmers in developing countries like India. Therefore, reform in agriculture subsidy can be competition advocacy agenda.**

- **There are significant interfaces between trade policy, industrial policy and competition policy in agriculture sector, requiring proper synergies.**

Gig Economy, Competition and Workers' Welfare

- **There is nexus between market competition, employment and labour welfare. Competition policy can help reduce labour/workers abuses in global supply chains.**
- **In most jurisdictions the definition of 'labour' does not include gig workers, particularly the platform-based gig workers.**
- **Buyers' power of digital platforms has a bearing on the welfare of platform-based gig workers. More concentrated a market, more chances of buyers' power and its abuse.**
- **Non-registration of trans-national platforms in a particular country adds to the administrative problems in addressing gig workers' welfare issues in such countries.**

Climate Change & Sustainability

- **Sustainability aspect need to reflect in competition analysis done by authorities.**
- **Just energy transition must be complemented by a sound competition policy, which can ensure open and transparent public procurement, level playing field for businesses, and boost in investment and innovation, particularly in emerging renewable energy market.**
- **EU's Carbon Border Adjustment Mechanism (CBAM) need also be studied from competition perspective.**
- **There are green technology transfer issues. Most elements of the erstwhile IP-Health debate apply also to green technologies. There is**

need for enhancement in access to green technologies and green products.

ICT and Digital Economy

- **With high intermix of telecom and digital technologies (like AI) in the emerging next generation 6G is likely present more complex competition issues that those presently discussed within the digital technology aspects.**
- **Need to look at emerging regulations on certain key technologies like AI through competition lens.**

Multilateral Competition Policy

Looking at the global nature of many a competition concerns; I am of opinion that binding multilateral competition rules would be quite helpful. Perhaps we should start talking about reconvening the earlier WTO Working Group on Trade & Competition to begin with. In fact, such a working group can also counter the increasing trend of protectionism, that got triggered due to US-China trade war during Trump presidency.

Though in past this Working Group was opposed by global south, I think at present we are likely to get support of the developing countries. The situation was different then in 1996 – global south was yet to swallow and digest the new WTO agreements, plus they were sceptic about push for an investment agreement via Working Group on Trade & Investment. But the situation is different now. In fact, I am sceptical whether north will support this working group this time. I would like to hear opinions on this from the panel and from the audience.

With this let me wrap up my speech, and welcome Teresa to make her intervention. Thank you!