

Geneva, 5th December, World Competition Day (05.00PM IST)

PSM's SPEAKING NOTE

First of all, a VERY HAPPY WORLD COMPETITION DAY to you all.

It is my pleasure to welcome all the speakers and participants, both in-person at WTO and online to this timely panel discussion titled “Trade, Competition and Inequality”.

CUTS International, WTO and UNCTAD are organising this in order to commemorate the world competition day, which we celebrate on 5th December. On this date in 1980 the UN General Assembly had adopted the “Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices,” popularly referred to as ‘the UN Set’.

The UN Set is the first, and so far, the only international instrument on competition law and policy – a milestone worth celebrating. This is the 15th year, when we started this campaign of celebrating world competition day on 5th December, and its formal adoption by the United Nations. We have received support from around 70 countries, including 60 competition authorities. This day is widely celebrated now.

Though 5th Dec has not yet been adopted by the UN as world competition day, our campaign has revitalised this year with formal collaboration with a dynamic regional competition authority – the COMESA Competition Commission. With COMESA Competition Commission, we are working on facilitating a formal proposal to UN General Assembly by a Member State in near future. We solicit your support for this.

For world competition day, each year we decide a theme, which for 2024 is “Competition Policy and Inequality”. Keeping this in mind, we thought it

would be very timely to discuss how trade policy and competition policy can deal with the increasing economic inequality. The latest World Trade Report by WTO does provide some useful insights on Trade and Inclusiveness.

We have clearly observed that trade liberalisation and globalisation helped reduce poverty in many countries, including developing and least developing countries. Markets became more competitive. China, which joined the WTO later, is certainly the biggest beneficiary of rule-based trade globalisation. We must give credit to them.

However, with manufacturing base shifting to China, the pinch of unemployment, and consequent lack of broad base economic gains, has been felt in many countries, in US, in UK, in EU and in other major economies like India. More so, the trading system tend to ignore the losers in this game. This is where, in my opinion, the system contributed to the deepening of inequality, despite noticeable poverty reduction.

Trump 1.0 took cognisance of this, and started the trade war with China. This domino balled, and since then, geopolitics and domestic economic concerns have been increasingly shaping trade policies. With Trump 2.0 we are likely to observe further usage of protectionist measures, giving rise to policy uncertainties and consequent supply chain disruptions.

I hope these protectionist measures are temporary, and would cease soon. In fact, this could be one of the priority advocacy agenda for competition authorities. Protectionism reduces competition and harms consumers, as inefficiencies of the protected firms are passed on to them.

In fact, a National Competition Policy (NCP) can be formulated that would require government entities to incorporate competition principles into their policies (or decisions, or regulations) in systematic and institutionalised way. Having such policy will enhance the success rate of competition advocacy.

The WTO defines competition policy as: “*the full range of measures that may be used to promote competitive market structures and behaviour, including but not limited to a comprehensive competition law dealing with anti-competitive practices of enterprises*”.

If National IPR Policy can be formulated in addition to IPR laws, why can't a National Competition Policy be adopted in addition to competition law. Such a policy has been adopted in few countries, such Australia, the Philippines, Botswana, Mexico, Hong Kong and Malawi. There is a draft National Competition Policy available on the website of the Ministry of Corporate Affairs, India. CUTS played an active part in the whole process.

Let me stop here, and welcome you once again. We have a very impressive panel lined up today. I welcome with gratitude Roberta, Vincent, Elizabeth and Kondwani. All of us are looking forward to a lively discussion.

I would also like to thank Reto and Teresa from WTO and UNCTAD respectively for facilitating the organisation of this event.

Let me also inform you that this is the second event that CUTS is organising today. A panel discussion in Delhi, in collaboration with Institute for Studies in Industrial Development (ISID) has just finished. The panel explored competition policy interventions in manufacturing, MSMEs, agriculture, and labour markets etc. that are important for reducing inequality.

Thank you and Happy World Competition Day, once again.

Suddha, the floor is yours.
