



Expert Group Meeting on “Implementing Agenda 2030: Economic Governance and National Development Planning in the Arab Region”

# Competition policy and Development

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## Brief introduction

Necessary distinction between key concepts

- Competition,
- Competition law and policy,
- Competitiveness



## Competition

- “a process of rivalry between firms ... seeking to win customers’ business over time” [UK Competition Commission]
- “a basic mechanism of the market economy and encourages companies to provide consumers products that consumers want. It encourages innovation, and pushes down prices. In order to be effective, competition needs suppliers who are independent of each other, each subject to the competitive pressure exerted by the others.” [European Commission]
- Benefits:
  - Lower prices, more diversified and better quality products and services;
  - Wider choice for consumers;
  - Efficiency gains (allocative and productive): incentives to innovation.



## Competition Law and Competition policy

- Set of rules that aims to protect the process of competition in the market.
  
- Key features:
  - Prohibition of anti-competitive/restrictive agreements between companies;
  - Prohibition of the abuse of market power (unilateral behavior);
  - Merger control;
  - State aid measures control.
  
- Competition policy: “The design, effective implementation and enforcement of competition law”.



## Competitiveness

- Definition:

“ Ability of a firm or a nation to offer products and services that meet the quality standards of the local and world markets at prices that are competitive and provide adequate returns on the resources employed or consumed in producing them”

Source: Business Dictionary.



## Why does Competition matter?

- **Competition** enhances **efficiency**, promotes innovation and offers wider product choice with better quality, thereby providing and improving consumer welfare.
- Competition stimulates **innovation, productivity and competitiveness**, generating **economic growth and employment**.
- It **guarantees a level playing field for all businesses** and creates **possibilities for small and medium sized enterprises**.
- Competition therefore **increases a country's attractiveness as a business location**, triggering national and foreign investments.



## Why does Competition matter (2)?

- **Competition policy** aims to **preserve and promote competition among market players.**
- Competition policy interventions are necessary in order to maintain and encourage healthy competition by removing the barriers that hamper competition.
- **It influences other Government policies and processes to enable a competitive environment to develop – see privatization and deregulation.**
- Competition is a key driver of competitiveness.



## Trade and Competition

- Trade liberalization benefits could be undermined by private obstacles to trade - anticompetitive agreements between companies and abuse of market power: Competition law and policy complements Trade policy;
- Competition law and a policy is a cornerstone of the legal framework of a well-functioning market economy;
- Competition law and policy pursues consumer welfare;
- Interaction between Competition policy and national and Foreign Direct Investment.





## Competition law and policy and Development

- Competition policy is **a tool to achieve economic development as recognized by the UN Set of Principles and Rules on Competition (1980)**.
- From 25 member States having adopted Competition law and policy in the 90s, **nearly 140 member States** - including **several developing countries** (for example, all BRICS, the vast majority of Latin American countries, most MENA countries, ASEAN member States) and **countries with economies in transition** (most CIS countries) - had enacted and implemented Competition legal and institutional frameworks by 2015.
- Relevant Sustainable Development Goals: 8; 9; 12; 17.



## UNCTAD’s mandate on Competition Law and Policy



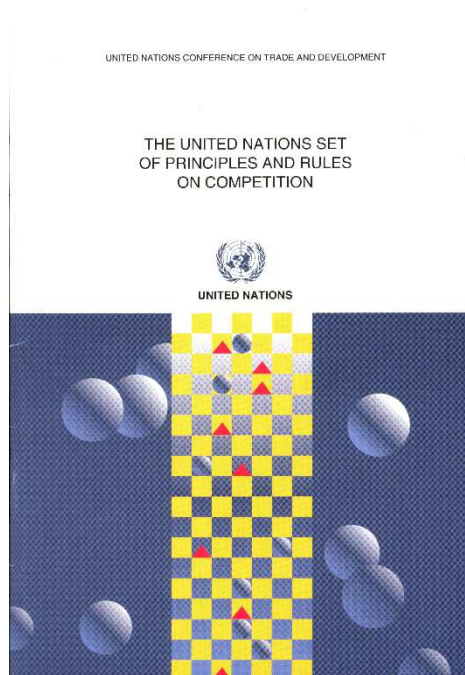
## UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

- UN body responsible for dealing with economic and sustainable development issues with a focus on trade, finance, investment and technology - *Prosperity for All*,
  - 194 member States;
  - *Think, Debate, Deliver* - to assist developing countries in better participating in the global economy
  - Focal point for Competition and Consumer Policies within the UN system;
  - 3 pillars of work: Consensus building - Intergovernmental deliberations; Research and analysis; Technical Cooperation.



# United Nations Set of Competition Principles and Rules

## *United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (1980)*



- ❖ The only internationally agreed instrument in the field of Competition.

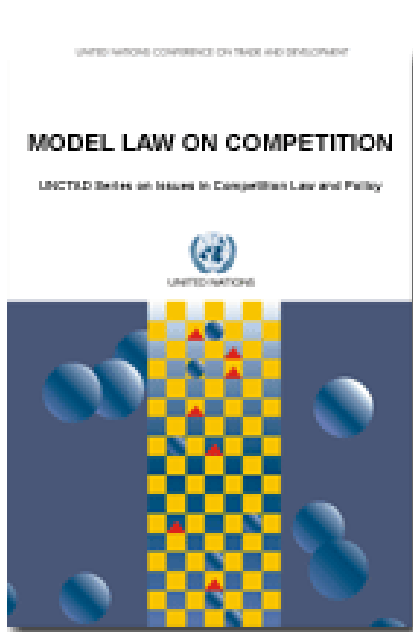
### Scope

- Rules for the control of anticompetitive
- The development dimension,
- Framework for international cooperation and exchange of best practices.

2018 - 70 years of work in the UN on Competition Law & Policy-



## UNCTAD key instruments in the field of Competition law and policy



**UNCTAD Model Law on Competition (1993):**  
*...tive possible elements for a competition*  
*...mentaries and alternative approaches in*

*existing*

**Part 2 is regularly updated with commentaries  
as reported by member States.**



## The 3 UNCTAD Pillars in the field of Competition law and policy

**Consensus Building**

(Intergovernmental  
Machinery)

**Research**

**Technical  
Assistance**

**UN Set of Principles and Rules on Competition, 1980**

## Consensus Building

### UNCTAD

- **UNCTAD Ministerial Conferences - every 4 years**  
**Last UNCTAD Conference, XIV – Nairobi, Kenya 2016**

**Review of UNCTAD Mandate and prioritisation of work**

### Competition and Consumer Policies Branch

- **Conferences to review the UN Set on Competition- every 5 years**  
- To assert the usefulness of the UN Set on Competition and revise UNCTAD's Competition mandate
- **Annual Intergovernmental Group of Experts (IGE) Meeting on Competition law and policy**  
- To evaluate the work program on Competition and to update the areas of focus



## Research and Analysis

- UNCTAD undertakes extensive research on trade, finance, investment, technology, competition and consumer protection, etc.
- Research papers and studies on Competition issues relevant to this discussion:
  - **“The role of competition policy in promoting sustainable and inclusive growth”** (TD/RBP/CONF.8/6, 27 April 2015).
  - **“The importance of coherence between competition policies and government policies”** (TD/B/C.1/CLP/9, 10 May 2011).
  - **“The relationship between competition and industrial policies in promoting economic development”** (TD/B/C.1/CLP/3, 28 April 2009).
  - **“The relationship between competition, competitiveness and development”** (TD/B/COM.2/CLP/30, 23 May 2002).





## UNCTAD TOOLBOX 2017

- COMPETITION AND CONSUMER PROTECTION POLICIES AND FRAMEWORKS: improving market efficiency and consumer welfare (since the late 90s – **national; regional focus** since 2003);
- VOLUNTARY PEER REVIEWS OF COMPETITION AND CONSUMER PROTECTION LAWS AND POLICIES: sharing best practices for developing countries (since 2005; 25 Peer Reviews, including 1 regional Review in the West African Economic and Monetary Union - 28 countries covered)



## Technical Cooperation in Competition Law & Policy

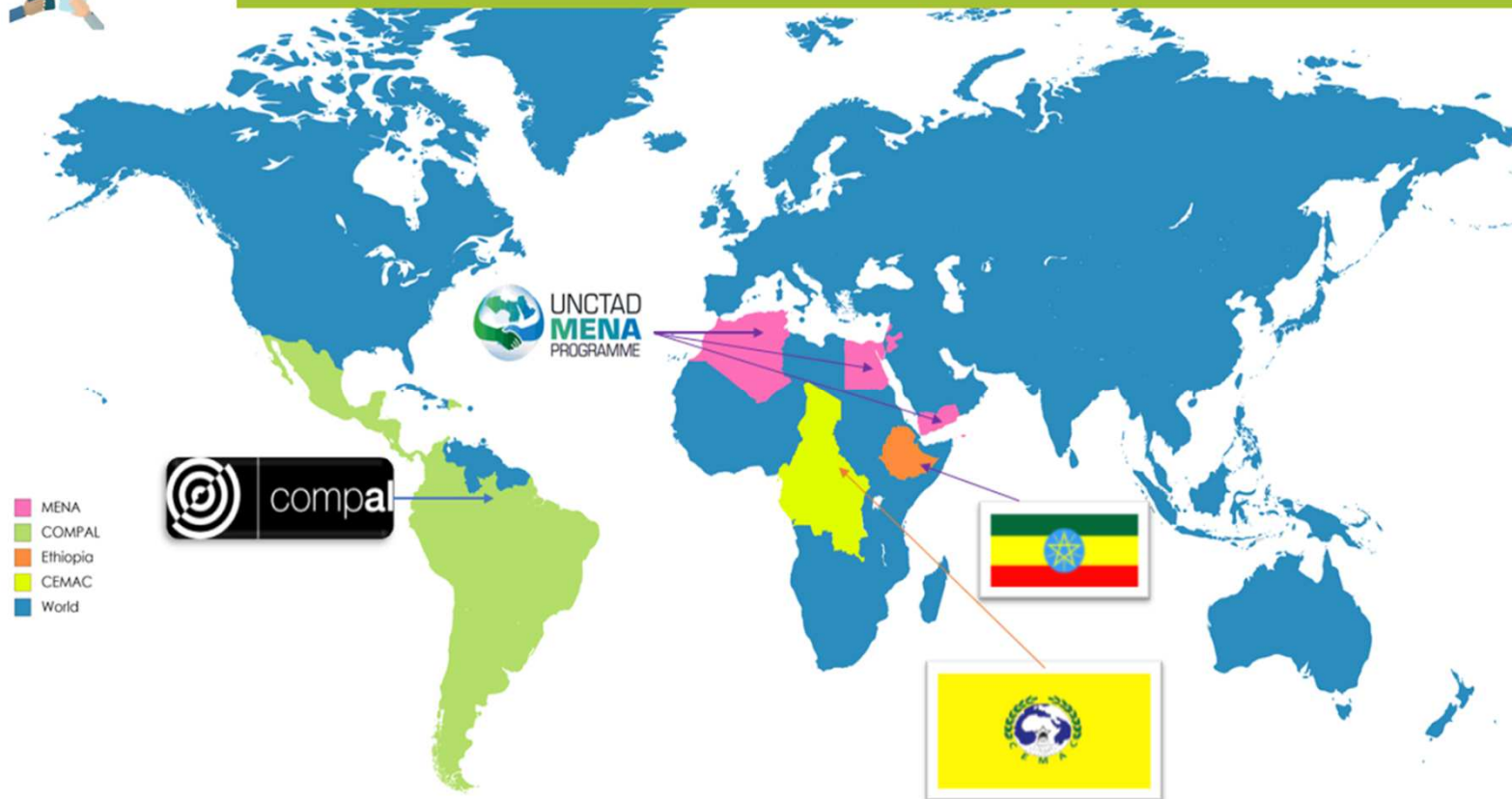
1. Adoption of laws / law revisions;
2. Institution building;
3. Strengthening of capacities (competition officials, judges);
4. Competition Advocacy: multi-stakeholder approach – Government and public bodies; private sector; NGOs (consumer associations); judiciary; academia; media;
5. Voluntary Peer Reviews (since 2005).



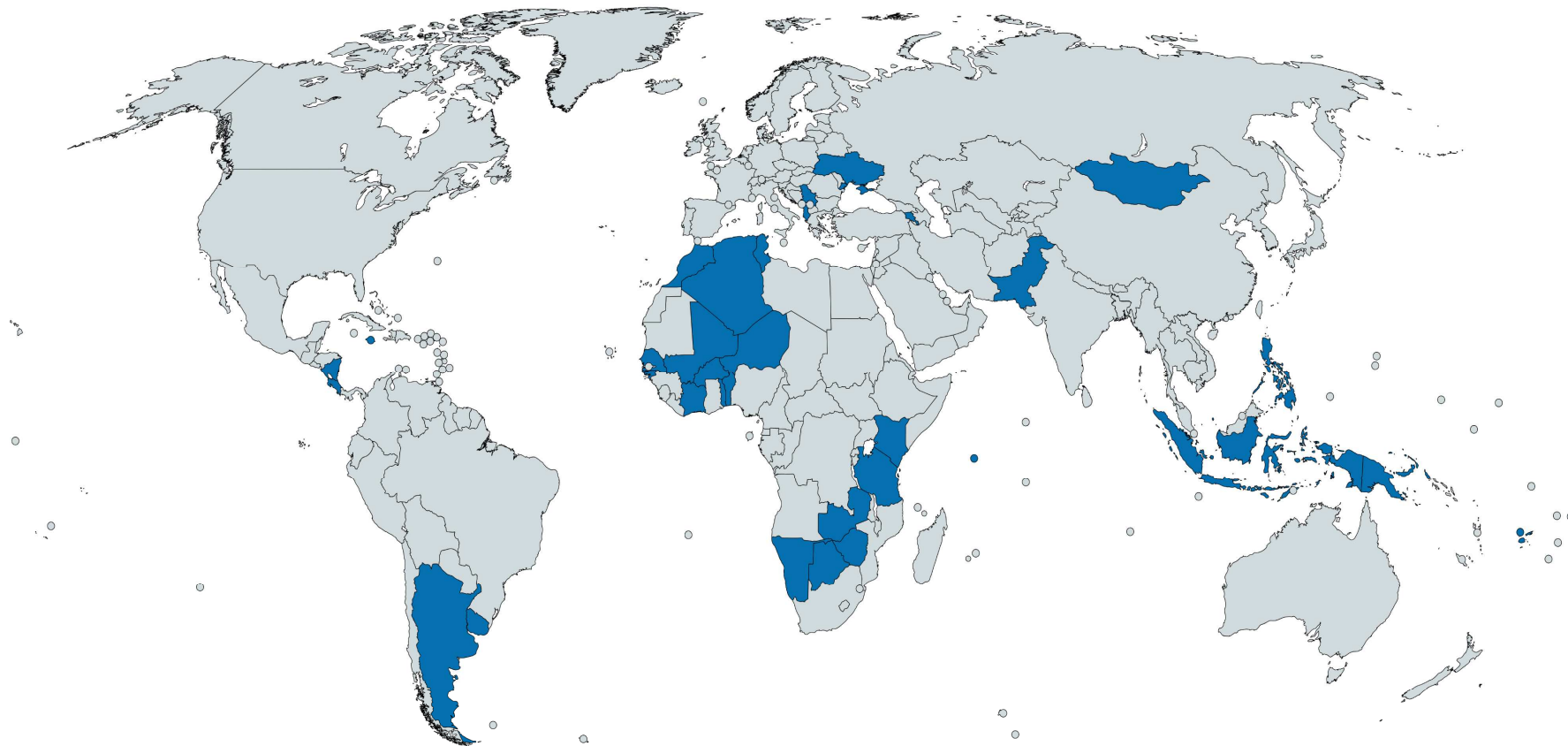
## Technical Cooperation (2017-2018)



### Capacity Building on Competition and Consumer Protection Law and Policy



## Countries that have undertaken peer reviews with UNCTAD since 2005 (27)



**THANK YOU !**

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<http://unctad.org/en/Pages/DITC/CompetitionLaw/Competition-Law-and-Policy.aspx>



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