

## Speech of William Danvers, Deputy Secretary-General of the OECD

### Opening Session of the Global Forum on Competition, 27 February 2014

It is a pleasure for me to open this year's Global Forum on Competition. Over 390 delegates from about 115 countries/economies and organisations are attending this year's Forum. Your presence is a testimony to the relevance and importance of sound competition policy in today's challenging economic climate.

A few years ago, we were concerned that governments would put competition policy on the backburner as the worst economic crisis for a generation forced them to focus on other policy priorities, and in many cases also shook their confidence in what we were thought to be economic certainties. At the time, our Competition Committee under Professor Jenny was emphasising that on the contrary, in hard times it is more important to maintain competitive markets. It is fair to say, we have had a measure of success in ensuring that governments worldwide recognize the contribution of competition to their citizens' standard of living; as well as the importance of competitive markets for economic growth.

As we see economies slowly recover, they do so with a renewed understanding of the power of competitive markets to help stimulate growth. Governments are committed to implementing sound competition policies to generate favourable conditions for investment and growth. The spread of competition law enforcement around the world demonstrates this point. At the end of the 1970s only nine jurisdictions had adopted a competition law, and only six of them had a competition authority in place. By 1990, there were 23 jurisdictions with a competition law and 16 with a competition authority. As of October 2013, about 127 jurisdictions had a competition law, of which 120 had a functioning competition authority.

It is a particular pleasure to welcome Dr Ezekwesili. As one of the founders of Transparency International, she helped create an institution that has made a difference in the global fight against corruption. Last December, the OECD marked International Anti-Corruption Day with a celebration of the 20th Anniversary of Transparency International. As a government Minister, as a World Bank senior official and as a senior economic advisor to Open Society, Dr Ezekwesili has had an understanding of the waste and devastation that corruption leaves in its wake. We look forward to learning about her views on potential solutions to eradicate corruption.

I congratulate this Forum for choosing to discuss 'Fighting Corruption and Promoting Competition' on its opening day. Combatting corruption is a top priority at the OECD. We have been in the forefront of the fight against corruption for decades, and in particular through the Anti-Bribery Convention. The Convention came into force in 1999 based on the realization that some of the corruption in developing countries originates in the boardrooms in industrial countries. Today there are 40 Parties to the Convention: all of the OECD Members as well as Argentina, Brazil, Bulgaria, Colombia, the Russian Federation, and South Africa. And at the last G20 Summit in St. Petersburg, world leaders encouraged all G20 Members to engage with the OECD's Working Group on Bribery with a view to possible adherence to the Convention.

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While the Convention is one important weapon in the fight against corruption, the OECD recognised in 2011 that the eradication of corruption requires a whole-of-government approach. We launched the CleanGovBiz initiative, which draws together all of the OECD's anti-corruption tools, reinforces their implementation, improves co-ordination among relevant players and monitors progress towards integrity. One of the great strengths of the OECD is its ability to link up between different policy areas and issues.

The “CleanGovBiz” initiative emphasises that competition is one way to fight corruption by distributing society's rewards, awarding success to those businesses that best meet their customers' needs, instead of to those with the best connections. As OECD analysis has demonstrated, enhanced competition results in pressure to reduce costs and innovate, driving productivity and overall economic growth, particularly through the entry of new businesses. Corruption replaces this virtuous circle with a system which rewards inefficient and criminal companies. In other words, free markets can help fight corruption, and conversely fighting corruption can help markets to work better. Good infrastructure, education, public procurement – all of these can help create the conditions for market economies to thrive, but without vigilant enforcement of laws against corruption, they will not be provided.

Corruption is one of the biggest systemic threats of the 21st century. Placing corruption high on your agenda, is one step further to helping to eradicate it.

This afternoon, you will have exchange with the delegation of Romania, which volunteered to undertake an in-depth peer review of its Competition Law and Policies Peer Review is one of the OECD's principal models for policy dialogue and evaluation of economic reform. It is also among the most successful ones. Since 1998, competition peer reviews have constituted a valuable resource of comparative experiences across countries with different competition laws and institutional systems. The institutions that have been reviewed have benefited from the insights and recommendations of other experts and officials from OECD member and non-members that have faced common problems.

Tomorrow your work will focus on competition in the pharmaceutical sector. There can be few areas where the benefits that competition brings can have such dramatic effects on people's lives, and the OECD has a long track-record on providing policy guidance for better, more efficient health sectors, to the benefit of all.

Thank you for your attention. I thank you in advance for your contribution to making this Forum a success for the past 13 years. This Forum is an important mechanism to help guide our work in the search for best policy practices to benefit members, as well as non-members.

Thank you.