

DSG Speech for the launch of CUTS Report “Making competition reforms work for people” evidence from selected developing countries & sectors.

- Mr. Pradeep S Mehta, Secretary General, CUTS International
- Mr. Ashok Chawla, Chairperson, Competition Commission of India
- Mr. Geronimo Sy, Chairman Office for Competition. The Philippines

Distinguished delegates of the 7th Review conference of the UN Set on Competition,

Ladies and gentlemen,

On behalf of the Secretary General of UNCTAD, Dr. Kituyi, I would like to say that UNCTAD is pleased to take part of the Launch of the CUTS Report entitled: **“Making competition reforms work for people”** which has been drafted within the framework of the CREW project (Competition Reforms in Key Markets for Enhancing Social & Economic Welfare in Developing Countries).

The evidence from selected developing countries and sectors have been carefully chosen taking into account their impact on the daily lives of consumers and producers arising from the relevant CUTS experience representing the interests of consumers within the developing world.

Bearing in mind that the sectors selected often need large resources, where economies are already constrained, two

sectors (Staple Food and Bus transport) in four countries (Ghana, India, Philippines and Zambia) were selected in this report.

Ladies and Gentlemen,

Let me refer to the cross-country sector analysis in the staple food where the governments of the selected countries, viz., Ghana (maize), India (wheat), Philippines (rice) and Zambia (maize) have adopted various economic and regulatory policies in order to ensure security, accessibility, stable prices, and incentives for increased production of staple food, among other objectives.

UNCTAD praises the analytical methodology applied in the CUTS report which has focused on the staple food value chain, and assessed the reforms and their impact at different stages in terms of critical inputs in production of staple food, and the output markets.

In this regard, let me refer to an UNCTAD research on **“the effects of anti-competitive business practices on developing countries and their development prospects”** (launched at the IGE of 2008) where, among a number of wide range of cross-cutting competition issues covered, it also covered in-depth **the role of competition in commodity markets**, which are of crucial importance to developing and least developed countries.

Ladies and Gentlemen,

We all know that there are certain competition problems in commodity markets, which are usually characterized by a high degree of concentration as well as vertical integration between various stages of the value chain. In particular Section 7 of this UNCTAD publication provided the developments and problems encountered in the cocoa market in the Ivory Coast, which supplies (till today) 40 per cent of the world demand for cocoa. The analysis of the value chain from Ivorian farm gate to a bar of dark chocolate on the shelves of French supermarkets reveals that chocolate makers and/or distributors have been gaining more and more from a bar of dark chocolate between 1992 and 2001

To finalise my brief intervention, I would like to endorse the second sector chosen in this report (Bus transport) whereby competition problems have sprung out in the bus transportation liberalisation policies (both with respect to inter-city bus transport (on selected routes) and with respect to intra-city bus transportation (in selected cities) not only in the 4 countries studied in this report, but also in many other countries around the world.

Ladies and Gentlemen,

I wish you a good reading of this report.

Thanks for your kind attention.

Geneva, 8 July 2015