

Mr. José Del Castillo Saviñon, Ministry of Industry and Trade of Dominican Republic

Mrs. Michelle Cohen, President of the National Commission on Defence of Competition of Dominican Republic;

Mr. Juan Acuña, Director of Relations for Integration and Cooperation of the Permanent Secretariat of SELA;

Representatives of Regional and International Organizations;

Delegates and Experts;

Ladies and Gentlemen,

It is my privilege to address this important Annual Meeting on Trade and Competition for Latin American and Caribbean countries. It is always a pleasure to be back in Latin America and particularly, in this beautiful country.

I would like to express my profound gratitude to the Government of the Dominican Republic and to SELA, the Latin American and Caribbean Economic System, for their warm hospitality to my colleagues and myself. I would also like to thank PROCOMPETENCIA, on behalf of all of us, for having made this meeting possible.

This Forum is an important step on our road to Lima, Peru, where UNCTAD's next quadrennial conference will take place in 2016, and where the interphase between trade and competition will also be featured, among other topics.

Since your first meeting took place in Caracas, Venezuela, in 2009, the Working Group on Trade and Competition has had a number of achievements. One of the most evident is that the group is the only regional setting in the world that deals with the issue of the interface between trade and competition after the issue was dropped from WTO negotiations and deactivated in the WTO Working Group on Trade and Competition in 2004.

Ladies and Gentlemen,

Competition policy and its implementation have been considered at times as a local policy issue. Nonetheless, there is wide consensus that to remain effective, competition policy must consider the interaction with trade policy. Particularly, because freer trade can stimulate domestic competition, which can eventually, translate into efficiency gains, in the form of lower prices or more and better products.

However, this openness can also bring some practices that could be deemed anticompetitive and that may have an adverse effect in the local market. In the case of Latin America and the Caribbean, special attention should be given to some industries where the market structure makes it easier for firms to engage in anticompetitive practices. This may be the case in industries such as cement, air transport, energy, telecommunications, pharmaceutical, and financial services, amongst others. These industries have gone from being "local oligopolies" to form regional or even "global oligopolies". This makes them more prone to carry out anticompetitive practices at a regional level, depending on their particular characteristics.

Mergers and acquisitions is one of the most common modes of entry by foreign firms into a local market. These international mergers pose challenges for local economies. On the one hand they may bring important efficiencies into the local economy, but while on the other hand, there is also the risk that their potential superiority eventually leads to market concentration and eventually to the potential exercise of market power.

This is where competition authorities play a crucial role in ensuring that societies can maximize the benefits from international mergers. Given that economic liberalization increases the degree of competition, by allowing the entrance of foreign firms into to the local market, understanding the interface between trade and competition policy is important to ensure economies are better off and not worse off with the arrival of foreign firms.

But this requires coordination with other jurisdictions. Therefore, there is an underlying need to have a common understanding between trade and competition approaches, where authorities can use competition rules to the utmost capacity to foster efficiency in their economies.

Further regional integration in Latin America and the Caribbean is welcome. And by regional integration I do not only mean trade, but also trade finance, standards, and rules and regulations.

A similar approach applies to promoting greater convergence of competition policies and laws within regional or sub-regional groupings. Countries must have the capacity to absorb the necessary regulatory and legal changes. Progress in establishing competition rules and policies should be done in such a manner that competition is seen - and actually operates - as an efficient tool for development.

Ladies and Gentlemen,

I am glad to see that the formal establishment of this Working Group on Trade and Competition in October 2010, and the consecutive annual meetings in Bogota in 2011, in Lima in 2012 and in Buenos Aires in 2013, has consolidated the importance of this forum. Today this group provides an open space for trade and competition authorities to openly discuss issues of mutual concern in Latin America and the Caribbean.

I see with pleasure that the topics agreed for this fourth Annual meeting are of crucial importance for the region: the presentation of WTO cases with competition-related matters, trade and competition in the food market, air transport, mass media , and, of course, competition policy and trade facilitation measures. I am confident that the future of this Working Group is promising because the topics are fundamental for the Latin American and Caribbean region.

I wish you all success in your deliberations of this fourth Annual Meeting and offer my full support to follow-up on the measures and activities that will arise from this meeting. I congratulate the participation of all Latin American and Caribbean countries that are part of this meeting and urge you to continue doing so.

Thank you for your attention.