

6th EAST ASIA CONFERENCE ON COMPETITION LAW AND POLICY
OPENING ADDRESS BY GUEST OF HONOUR MR TEO SER LUCK, MINISTER OF STATE
FOR TRADE AND INDUSTRY

Date: 16 September

Venue: Carlton Hotel (Empress Ballroom)

Distinguished Guests

Ladies and Gentlemen

Introduction

1. I am honoured to be invited to address you today for the 6th East Asia Conference on Competition Law and Policy. This is an event that is being held in conjunction with the 7th East Asia Top Level Officials' Meeting on Competition Policy.
2. The Top Level Officials' Meeting took place yesterday, and I have been informed that the participants had a fruitful discussion on how to cooperate and advance competition law and policy in the region.
3. Today's Conference provides a good platform for the discussions to continue. In particular, as the audience has broadened to include participants from academia, the legal community and the business world, the diversity of views and perspectives will enrich the discussions and hopefully provide insights and innovative ideas on how to advance in this field.

Benefits of Competition

4. We are facing an uncertain economic climate. Dark clouds are gathering in the US and Europe, which may pose serious risks to global economic prospects. Fortunately, even amidst this backdrop, Asia, and East Asia in particular, has been doing relatively well. However, East Asia will almost certainly be affected negatively, if the US and Europe go into another recession. World Bank president Robert Zoellick said that a new global recession could still be averted, but that the risks to the world economy are high, and Deputy Prime Minister Tharman Shanmugaratnam said that the world's biggest economies have slowed to a crawl and any new shocks could tip them into a recession that would hurt Asia.

5. While we cannot insulate ourselves completely against external forces due to trade and investment linkages, we can make sure that we pursue sound economic policies, keep markets open, and allow the forces of competition to shape businesses to be keen and agile. This will make our economies more resilient to economic shocks.
6. In this regard, today's Competition Conference is a timely reminder of the important role that competition authorities play in promoting healthy and competitive markets for businesses. By being vigilant against anti-competitive practices that distort market signals and harm economic growth, they help to safeguard a level playing field and protect the efficient functioning of the marketplace.
7. One can think of four key benefits of competition in stimulating economic progress.
8. Firstly, competition results in greater production and consumption. Competition leads to a greater variety of goods and services and brings benefits to consumers. More importantly, it ensures that a dynamic business community is able to respond to the needs of a changing world.
9. Secondly, competition promotes efficiency and productivity. As firms compete for consumers, they will seek means to lower their costs and the best way to produce their goods and services. Therefore, the firms that are efficient and have the highest productivity thrive, and those which are inefficient will not. Across the economy, efficiency is enhanced and productivity rises.
10. Thirdly, competition fosters innovation. Competition is not only the basis of protection to consumers, but it is the incentive to progress. When businesses compete with one another, they have to constantly come up with new ideas, services and product offerings. New businesses also find it easier to enter an open market to challenge the position of incumbents. As a result, businesses are spurred to be more dynamic and innovative, thereby becoming stronger over time.

11. Lastly, competition forces restructuring in sectors that have lost competitiveness. The competition for capital and resources by firms throughout the economy leads to resources flowing away from weak, uncompetitive sectors towards more competitive ones. Hence, competition directs resources to its most efficient use by freeing up resources for more productive use.

Developments in East Asia and ASEAN

12. Countries in East Asia have made significant progress in developing their competition regime, by continuously improving their competition policy and law. In ASEAN, the ASEAN Economic Community Blueprint has committed countries to introducing competition policy by 2015. They will also establish a network of agencies responsible for competition policy to serve as a forum for discussing and coordinating competition policies, and encourage capacity building programmes and activities in developing national competition policy.
13. The world today is increasingly interconnected and complex. For instance, a merger of two multinational companies may involve concurrent notifications to competition authorities across many jurisdictions. Competition agencies, law firms, and business units in different countries will find themselves having to move in tandem with one another. It is imperative that there be good understanding, cooperation and coordination so that the whole process of information gathering, evaluation and decision-making is robust and responsive. This will reduce risks and build confidence in the business community.
14. There is much to learn from one another on how to increase the knowledge base and develop best practices within the community of competition practitioners. This Conference provides a valuable opportunity to engage in an exchange views and to strengthen your network of contacts.

Contributions of CCS

15. In Singapore, I am proud to see that the Competition Commission of Singapore, or CCS, has earned a reputation as an effective and responsive regulator over its short history. Although the Competition Act only came into force in 2006, CCS has already dealt with over 120 cases, and issued 5 Infringement Decisions in the areas of price fixing, bid-rigging and abuse of dominance. It has imposed

financial penalties totalling more than S\$3 million. CCS has also reviewed over 20 merger notifications covering a broad economic spectrum.

16. Internationally, CCS is active in fora such as the International Competition Network and the OECD Global Forum on Competition. CCS was the first chair of the ASEAN Experts Group on Competition, or AEGC, in 2008. The AEGC worked on the ASEAN Regional Guidelines on Competition Policy that were officially launched by the ASEAN Economic Ministers in Danang, Vietnam in 2010. These Guidelines will contribute toward establishing ASEAN as a highly competitive economic region by 2015, as envisioned in the ASEAN Economic Community Blueprint.
17. Besides enforcement work, CCS is also focused on outreach and education. The goal is to drive home the message of competition and alert companies and businesses to comply with the Competition Act. There is much work to be done to raise awareness of the competition regime so that companies and businesses are not penalized inadvertently for breaking the law. We must be creative in thinking of ways to reach out to the relevant stakeholders, and help them develop effective antitrust compliance programmes as an integral part of good corporate governance.
18. CCS has a range of interesting collaterals ranging from manga comics to videos to an e-Game, *Sumo Mara Thon*, to reach a broad sweep of audience. It will continue to find fresh ways to deliver the competition message. It has just launched a new corporate video which is available for viewing at the gallery. You may wish to check it out at your leisure.

Conclusion

19. Let me conclude by reiterating the importance of having a strong competition regime to foster a healthy and competitive marketplace for economic growth. I urge all of you to take full advantage of today's Conference to explore how to strengthen and improve competition enforcement and education.
20. Finally, this Conference would not be possible without the strong support of the Japan Fair Trade Commission and the Asian Development Bank Institute. I thank them for their contribution and I wish all of you a very enjoyable Conference.
21. Thank you.