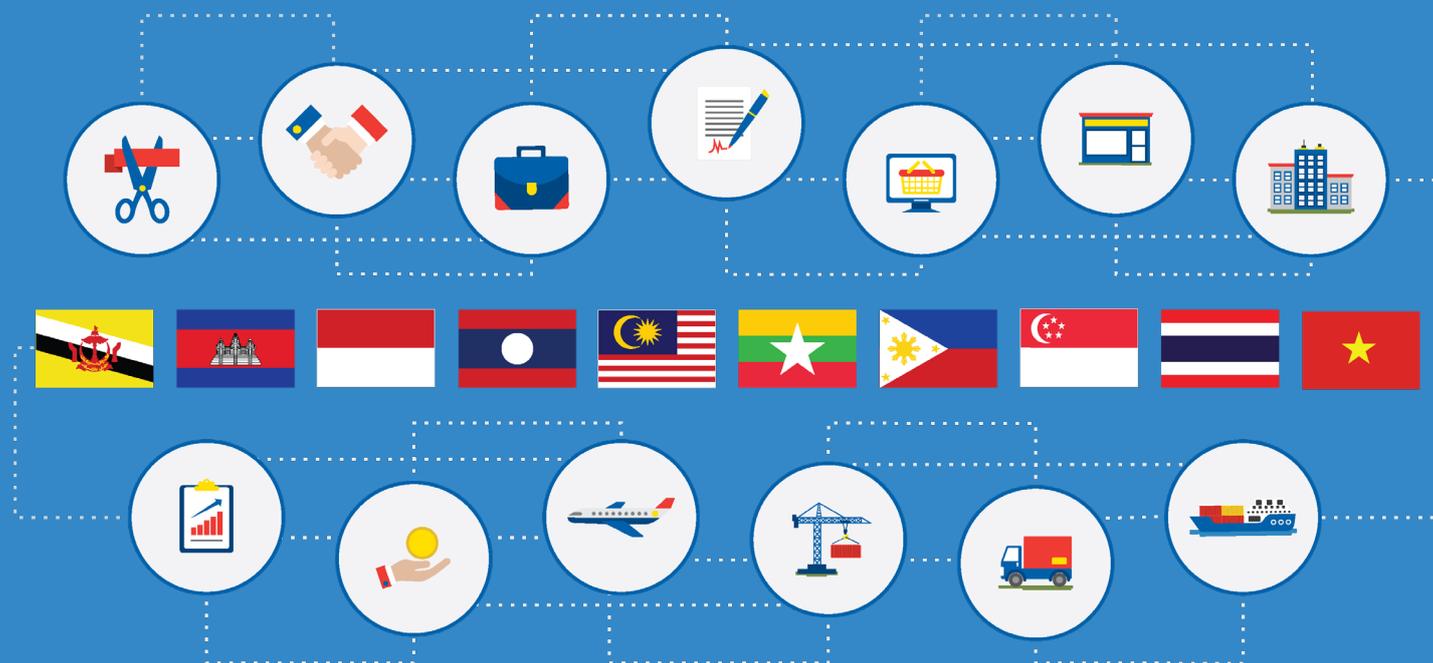


Fostering Competition in ASEAN 2018-2021

Project managed by the OECD and funded by the UK Government



ASEAN has achieved rapid economic growth in recent years. Challenges remain that can hamper continued and inclusive economic growth, and may increase inequality and poverty. Competition policy, in particular more pro-competitive regulation and ensuring a level playing field between businesses, which is what the OECD project will focus on, can help overcome those challenges.

The general benefits of a well-functioning competition regime are well known, empirically demonstrated and widely accepted. Competition indeed drives economic growth and efficiency as it increases productivity, rewards innovation, promotes consumer welfare and creates a better environment for investment and trade. Moreover, competition policy ensures that the benefits of trade and investment liberalisation are not compromised by anti-competitive practices.

The ASEAN Economic Community (AEC), one of the three pillars of ASEAN, expressly acknowledges that operational and effective rules on competition are necessary for ASEAN to be a competitive region with well-functioning markets. It has therefore developed an ASEAN Competition Action Plan (ACAP) 2016-2025 with several goals and initiatives to cement competition policy as an integral economic policy. Its fundamental goal is to provide a level playing field for all firms regardless of their ownership, to facilitate liberalisation and create a unified market as well as to support the formation of a more competitive and innovative region.

To support the implementation of the ACAP, the ASEAN Secretariat, the OECD and the UK Government (with funding from the Prosperity Fund) have agreed to undertake a three-year project focused on enhancing competition in ASEAN. The project seeks to improve the business environment by creating a level playing field for businesses, foster trade and reduce inequality.

The OECD supports governments in their efforts to improve their policies to enhance the economic and social well-being of people around the world. It provides a forum in which governments can work together to share experiences and seek solutions to common problems, including in the field of competition law and policy. The OECD will share its expertise with ASEAN members, given its unmatched expertise in competition policy, knowledge of international experience, competition enforcement and capacity building, which is further enhanced by an in-depth knowledge of competition laws and policies in all of the ASEAN countries.

The ASEAN Competition Action Plan (ACAP) 2016-2025 identifies a number of goals and initiatives, two of which relate to reducing anti-competitive regulation and enhancing competitive neutrality for state-owned enterprises. This project supports the implementation of these two areas, specifically through an assessment of anti-competitive regulation and the level playing field between state-owned enterprises and private entities.

The focus of the project will be the logistics sector in all 10 ASEAN countries. Efficient logistics can play a significant role in increasing a country's economic development

by facilitating international trade and improving its competitiveness. By developing an efficient logistics system, a country can enhance its connectivity to better serve their exporters and importers, and satisfy the needs of regionally integrated production facilities for reliable just-in-time delivery of inputs/outputs. The AEC Blueprint lists logistics services among its 12 priority integration sectors. By focusing on this one sector in all 10 countries, the project allows for the possibility to align rules and regulations in order to help promote a more integrated logistics market, particularly as e-commerce and last mile delivery become increasingly important.

Fostering competition in ASEAN by improving regulation and creating a level playing field for businesses

OBJECTIVES

- More pro-competitive regulation
- A level playing field for business

IMPACT

- Enhance competitiveness
- Support regional integration
- Boost international trade and foreign investments

BENEFITS

- Stimulate economic growth and development
- Create new opportunities for businesses
- Reduce inequality and poverty



What the project aims to achieve

MORE PRO-COMPETITIVE REGULATION IN ASEAN

Review of logistics regulations for competitive impact with suggestions for options for increasing competition.

Using the OECD Competition Assessment Toolkit, this Project will lead to 10 prioritised competition assessments in the logistics sector, feeding into an OECD regional study. These country-by-country analyses will include:

- An assessment of the competitive harm resulting from assessed regulations, and the likely benefits from removing them; and
- Recommendations proposing specific alternative and less competition-restricting means to achieve the same policy objectives.

IMPROVE THE LEVEL PLAYING FIELD BETWEEN STATE-OWNED ENTERPRISES AND PRIVATE ENTITIES IN ASEAN

Analysis of the involvement of state-owned enterprises and how to move towards competitive neutrality of provision of logistics services.

The Project will lead to an OECD regional study describing the competitive situation for the key SOEs in a part of the logistics sector. This study will:

- Identify any exclusive rights or special privileges granted to SOEs, as well as their potential justification and rationale; and
- Include possible recommendations to ASEAN governments on the special rights and privileges identified, in order to reduce potential competition distortions in the logistics sector.

For further information and if you wish to contribute, please contact:

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