



EUROPEAN FREE TRADE ASSOCIATION

EFTA-LEBANON

INTRODUCTION TO COMPETITION SEMINAR I

Beirut, 19-21 May 2009

INTRODUCTORY STATEMENT

By Ambassador of Norway to Lebanon, Aud Lise Norheim

- Dear Minister Safadi, Excellencies, Distinguished participants, ladies and gentlemen, dear colleagues,
- First of all I would like to thank Minister Safadi for his warm welcome. Through his introductory statement and through his presence here today, it is clear that Lebanon is attaching great importance to adhering to high international economic standards and reforming its economy, aligning it with open, modern market economies.
- Why is Competition policy important? Both the EFTA States economies and the Lebanese economy are small and open. A prerequisite for our economic systems are a free and fair market place where businesses can compete on equal terms and seize opportunities - in the local market as well as internationally through cross border transactions. To become a preferred supplier, whether domestically or internationally, must be achieved through fair competition and sound business practices.

Through this, one would be able to maximise socio-economic welfare, to the ultimate benefit of both governments and consumers.

- The Lebanese economy is largely oligopolistic, where sellers are so few that the actions of any one of them materially affects price and have a measurable impact on competitors. In addition, abuses of dominant position are widely suspected, hence the overall economic performance and welfare is undermined and distorted
- Accordingly, the Ministry of economy and trade has developed an action plan which calls for a new modern competition law, the establishment of a competition authority, and the creation of a new enabling environment to ensure the proper implementation of the law.
- The principle objective behind a comprehensive and modern law is to ensure competition and market access by preventing anti-competitive practices and abuses of dominance, thereby maximizing consumer welfare and promoting economic efficiency and innovation.
- This is notably important and relevant at both national and international level. With regards to the EFTA agreement with Lebanon and trade between EFTA states and Lebanon, cartels and abuses of a dominant position by economic operators is considered incompatible with the Agreement
- This week's seminar is about competition policy in Lebanon. Competition policy and trade policy are closely interrelated. Trade policy is about liberalising international trade whereas competition concerns domestic trade. However, only on liberalising trade on both levels countries are able to maximise socio-economic welfare to the ultimate benefit of society at large. The EFTA States have gone through a transformation and de-regulation. Markets that were, for example, previously

served by state monopolies are now de-regulated and exposed to full competition. Through this seminar we would aim to share some of our experiences with you.

- Ladies and gentlemen, Competition policy is not a straightjacket, where all countries would have to apply exactly the same laws and regulations. As you will see from the presentations to follow, Competition policy is based on certain principles and then it is up to the legislators to choose how to best adapt these principles to your local needs. I know that you already have a draft law, which is ready to be passed through Parliament.

- In order for the legislation to be successful, Lebanon would also have to establish certain institutions to ensure the proper implementation of the legislation. These institutions would also monitor market practices and possibly also intervene if it discovers anti-competitive business practices.

- To achieve a well functioning market economy there is a strong need for co-operation between the Government and the various economic operators. This is why we are happy to see so many representatives here, both from the government and the private sector. A successful growing and open Lebanese market is attained through a common understanding of how the Lebanese market should function. You are all important stakeholders and a successful Competition policy can only be achieved in cooperation with you!

- I hope that you will benefit from the experience of my EFTA colleagues and that you will find the seminar interesting.

- I wish you all a very good seminar. Thank you.
