Welcome and opening remarks by DDG Harsha Singh for the Workshop on Regulatory Practices
11 April 2011

1. Good morning. It is my great pleasure to welcome you to this WTO Workshop on Regulatory Practices. On behalf of the WTO Secretariat, I am particularly grateful to our speakers, and attendees from capitals, many of whom have travelled very far to participate in these discussions.

2. The initiative for organising this workshop was taken by the Working Party on Domestic Regulation in order to learn more about the actual regulatory experiences on the ground. This is a crucially important area and, one, which I am sure will generate a very fruitful exchange of views and information between officials in the trade arena and those in the regulatory sphere.

3. This dialogue is vital if we are to understand each other interests, concerns and the opportunities for progress. If I may say, in perhaps, no other area, does the intersection between trade and regulation have as much significance as in the field of trade in services. Effective regulation is often a precondition for successful liberalization. Ineffective, non-transparent and discriminatory regulation, on the other hand, can sometimes become an impediment to trade.

4. Regulation plays an essential role in services markets. Consumers of services often only know about the quality of a service once they have consumed it and therefore governments may want to ensure that service suppliers provide services of a sufficiently high quality. For certain services, like health care or education, a government may want to ensure that they are provided to all citizens at a reasonable price. The experience of the global
financial crisis has shown that certain services sectors are interconnected with the economy in general and thus that a lack of regulatory overview of these services sectors may have consequences that go beyond the sector itself.

5. The inherent right of each WTO Member to regulate the supply of services within their territories to meet national policy objectives is clearly enshrined in the preamble to the GATS. This is a sovereign right, not one that is conferred upon governments by trade agreements, or any other international treaty. Thus, it goes without saying that regulators must have autonomy to pursue regulations which correct market failure and pursue social objectives.

6. On the other hand, WTO Members have recognised that for trade in services to best foster growth and development of the world economy, it has to be accompanied by a legal framework which ensures that such trade takes place under conditions of transparency, predictability and progressive liberalization. The GATS provides exactly that framework but it is not sufficient by itself to bring about the full benefits of trade liberalization.

7. Advances on the trade front have to be accompanied by domestic reforms at home, not least on administrative and procedural rules, for example, to reduce complexity and improve transparency in licensing procedures. Trade negotiations have the potential to address and prevent undesirable regulatory practices. Multilateral trade rules can help promote and consolidate domestic regulatory reform, even when the rules are designed primarily to resolve trade problems. Take the case of the GATS Reference Paper on Telecoms, which was negotiated back in 1996. By establishing multilaterally agreed definitions and principles on the regulatory framework for telecommunication services, it has provided certainty and promoted good non-discriminatory practices and cooperation across borders. These are all elements that are important for trade as well as for sound regulation, as I can confirm on the basis of my own experience as a Regulator.
8. The work of the WPDR has at its heart the aim of ensuring a transparent and predictable regulatory framework for services trade, so as to contribute to promoting the economic growth of all trading partners and the development of developing country Members.

9. Today's workshop on regulatory practices is not about debating the various positions taken in the negotiations on domestic regulation disciplines. Rather, it seeks to ensure that the negotiators are informed about practical experiences with services regulation, particularly with regard to licensing and qualification requirements and procedures, and the use of technical standards. Any future disciplines must indeed not be remote from the actual regulatory practices on the ground. At the same time, I do hope that from your dialogue and interaction, those of you in the regulatory sphere would also gain a better appreciation of the challenges faced by trade negotiators and the tools that they have at their disposal to deal with them.

10. Through case studies by national regulators and presentations by international organizations, the Workshop can facilitate discussion on the rationale and purpose behind regulation, how regulations are developed and implemented, the different approaches to regulation, the economic consequences of regulation or lack of regulation, as well as to highlight any examples of best practices with respect to transparency and procedures on licensing and qualification.

11. You have a very intensive and interesting programme in front of you and I do hope that your dialogue will enrich our knowledge on regulatory practices.

12. Thank you.