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PRESS RELEASE

**COMMEMORATION OF WORLD COMPETITION DAY: COMPETITION
POLICY AND INEQUALITY**

The Competition and Consumer Authority (CCA), today joins the global competition community in observing World Competition Day. On 5th December 1980 the United Nations General Assembly adopted the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices. Many competition agencies and consumer groups around the world therefore observe this day and advocate for the worldwide recognition of 5th December as World Competition Day.

One of the objectives of these UN Principles and Rules was to protect and promote social welfare in general, particularly, the interests of consumers.

This year's theme, ***Competition Policy and Inequality***, dovetails with the objectives of the Principles and Rules, 44 years after their adoption.

In the enforcement of the Competition Act, one of the primary roles of CCA is to prevent and provide redress for restrictive business practices which include bid-rigging, fixing prices, dividing markets by allocating customers and abuse of dominant position.

Such abuse and restrictive agreements which restrain competition; reduce consumer welfare through the maintenance of high prices of goods and services in the market, reduction in consumer choices, low quality goods and services, lack of productivity, lack of innovation and inefficiency.

All these negative outcomes of an unfair and anti-competitive market also promote inequality.

The CCA has been undertaking some activities with a view to ensuring a fair and competitive market which promotes consumer welfare and reduces lopsided growth and inequality.

Notably, in the past 12 months, the Authority enhanced market competitiveness by identifying and removing three (3) market constraints in the health and agriculture sectors. It intervened to remove a barrier to entry and expansion in the supply of medical devices thus facilitating access for local manufacturers, facilitated market access for players in the funeral services sector, and facilitated access by farmers and small retailers by advocating for a supplier to reduce the minimum purchase quantity for bran from 30 to 10 tonnes.

To further prevent the negative impacts of an anti-competitive environment which breeds inequality, the CCA continued to regulate mergers and acquisitions, and prescribe a rigorous process of assessment and analysis. Key considerations in the analysis were whether a proposed merger is likely to substantially prevent or lessen competition, likely result in any enterprise, including an enterprise which is not involved as a party in the proposed merger, acquiring a dominant position in a market, and whether a merger can, or cannot be justified on public interest grounds.

Such public interest grounds include maintaining or promoting employment, and in the process reducing inequality through erosion of purchasing power. Thus, in the past financial year, conditions the Authority set in five (5) merger transactions included that there be no direct merger specific retrenchments or redundancies of citizen employees for a period of three (3) years from the approval date.

Competition law and policy play a significant role in reducing economic inequality by facilitating a vibrant economy with enhanced consumer welfare.

The Competition and Consumer Authority will continue to play its part, amidst significant human resource and financial constraints, to combat restraints on competition which ultimately result in economic inequality.



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