**OFFICIAL OPENING REMARKS**

**BY THE**

**MINISTER OF TRADE AND INDUSTRY**

**HONOURABLE DORCAS MAKGATO-MALESU**

**ON THE SECOND (2ND)**

**NATIONAL COMPETITION CONFERENCE**

**FOR STAKE HOLDERS AT**

**GABORONE INTERNATIONAL CONFERENCE CENTRE**

**(GICC)**

**ON 14 MARCH 2013**

* Honorable Assistant Minister
* Members of Parliament,
* His Worship the Mayor of Gaborone
* The Chairman of the Africa Competition Forum, who is also the Director-General of the Competition Authority of Kenya, Mr. Francis Kariuki,
* All Permanent Secretaries
* Executive Secretary of the Competition Authority.
* Competition Commissioners
* Councillors here present
* Captains of Industry

Distinguished Ladies and Gentlemen.

**Purpose of the Conference**

1. It is indeed a great honour and privilege for me to grace this conference. In March 2012, I officially opened the First (1st) National Competition Conference under the theme ‘Creating Wealth Through Fair Competition’. By now, most of us in Botswana should understand the role that fair competition brings in terms of innovation and growth in an economy. The word ‘competition’ brings many mixed reactions from various people I therefore will avoid trying to define and instead, share my thoughts on how competition should be managed by both the business community and the primary enforcement institutions such as the Competition Commission and the Competition Authority within the framework of this year’s theme.

1. I note that the theme for this year’s Conference is ‘Towards a Culture of Fair Competition’. Having discussed under the theme, ‘creating wealth through fair competition’ in the last conference, it is fitting that we discuss how we transition to that cultural or mind-set change where we do not regard fair competition as a barrier to progress in our own businesses, but as a good reference point for progress in our businesses and as a nation. Last year, I informed you that my Ministry has provided, through programmes such as the Economic Diversification Drive (EDD), a window for various businesses to be afforded preferential opportunities to develop their competencies through government procurement policies. I also highlighted the need to promote a culture of competition in all our commercial and industrial developmental and growth strategies.
2. Ladies and Gentlemen, in view of the theme before us, I want to highlight two issues:

* Mindset change in relation to competition; and
* Government’s commitments in driving mindset change

Mindset change and competition

1. The Government of Botswana is cognisant of the fact that Botswana is a small market that is prone to external shocks as we live in a globalized economy. From a traders perspective, there are no borders in the global business environment in so far as trading in goods and services is concerned. However, pressure posed by competition from foreign businesses may create the perception that there is need to protect local businesses. If protection is extended, its implementation is often on a short-term basis aimed at, for instance, protecting an infant or vulnerable industry under the regional and multilateral trade rules.
2. Ladies and Gentlemen, Government is committed to supporting local productions through procurement processes to enhance growth of businesses. I am however, concerned that there is still perception that Government is obliged to procure local products and services which are not competitive by any international standards. I therefore, need to reiterate that whilst Government supports procurement from local producers, procurement has to be in accordance to the Government tender processes. This approach ensures that there is fair competition, and also brings out the inherent innovation expected to be drawn from the market.
3. I have recently been encouraging and inculcating the concept that our country is not landlocked but ‘land-surrounded’, and as such we should take advantage of this land connectivity in order to break through into neighbouring markets and beyond. I am convinced that we can strategically be able to penetrate these markets and grow our exports to lessen our dependency on imports. As a matter of fact, our import bill is already very high and I challenge local businesses to become more innovative and take advantage of Government’s initiatives to diversify the economy. This is to say that, as a nation, we should not define ourselves narrowly in the context of the size of the small local market we have.
4. I am confident that, with a culture of fair competition, innovative business activity will be facilitated and we will be able to create a diversified industrial base.

**Government and Mind Set Change Towards Fair Competition**

1. Ladies and gentlemen, creating a culture of competition is one of the pre-cursors to competitiveness. I therefore wish to confirm that Government is committed to ensuring that there is fair competition in the economy. Fair market competition advocates that there should be an existence of a free market where all legally recognized categories of businesses are allowed free entry and exit in an economy. However, we should be encouraging linkages between large foreign owned business enterprises and local small and medium enterprises to enhance their sustainability. To further actualize this, the role of small and medium business promotion in the economy has been enshrined in legislations, policies and structures such as under the Small Business Act; Small Medium and Micro Enterprise Policy; and the Citizens Entrepreneurial Development Agency (CEDA)
2. The Government has also recognized that in dealing with matters of fair competition, not all firms can be on strictly ‘fair’ or ‘level’ playing ground. In this regard, Competition Regulations, 2011 stipulates a threshold of 25% and above as classifying what we in Botswana would consider as dominant firms. It is thus expected that in implementing the Competition Act, the implementing institution should pay greater attention to the impact of the conduct of businesses which have a market share of at least 25% in the economy.
3. As Government, we also take matters of transparency and accountability seriously as depicted in the way that investigations and decisions are taken in relation to fair competition complaints in the economy. The National Competition Policy that was adopted by the Government of Botswana in 2005 encapsulates pillars of transparency and accountability. While the implementation of the Competition Act in the hands of the Competition Commission and the Competition Authority, the process of investigations and decision making within the two institutions is expected to be consistent with the industrial development goals of the Government, some of which are enshrined within the Competition Act itself. This in my view, will assist in creating support for competition policy, its implementation and outcomes - leading to a higher level of competition culture.

**Conclusion**

1. To the Competition Commission and the Competition Authority, I challenge you to take a developmental approach as you implement the Competition Law. Your performance should not necessarily be measured in how many cases you handle from year to year, but rather what positive impact your interventions have made in the economy. Empirical evidence has shown that, globally, most Governments have been concerned about the effect of the global financial crisis on employment, and inherently the growth, sustainability and profitability of businesses. I implore you to ensure that your investigations and decisions do take this broader perspective.
2. For the business community, we as a Government remain committed to ensuring that we have policies, laws and institutional frameworks that can assist you to reach your potential. We are confident that with Government committed in ensuring that there is fair competition, you will be encouraged and able to break into markets beyond Botswana.

Ladies and gentlemen, it is now my privilege to declare this conference open and wish you very fruitful deliberations.

**PULA! PULA! PULA!**