

December 4th 2019

PRESS STATEMENT

Competition and Consumer Authority Commemorates World Competition Day

Competition agencies and consumer groups around the world commemorate World Competition Day (WCD) on the 5th December. It was on this day in 1980 when the United Nations Conference approved the UN Set of Principles and Rules on Competition - Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices.

This year, the commemoration in Botswana comes two days after the Minister of Investment, Trade and Industry, Honourable Peggy Serame, officially commenced the new Competition and Consumer Authority (CCA). The CCA is made up of the former Competition Authority and the Consumer Protection Unit in the Ministry of Investment, Trade and Industry. The newly commissioned Authority implements the Competition Act of 2018 and the Consumer Protection Act of 2018.

The theme for this year's World Competition Day is "Ensuring effective competition in an increasingly online world."

The world economies are evolving rapidly and conventional market structures are giving way to new forms that do not have any resemblance to the rigid brick and mortar based markets of old. There are phenomenal innovations that have transformed global economies and the largest part of these changes have been brought to bear by technological advancement, particularly online-based reforms.

A growing number of consumers purchase their products on online market places such as Amazon or Alibaba whilst using digital applications such as Apple Store, or Google Play, variously known as the Android market; and on social network sites such as Facebook. These market places are often accessed through conventional search engines such as Google, Firefox and others.

Conventional markets are sustained by volume of sales and the prioritisation of profits. Online markets on the other hand rely on data of customers (network effects) and the business model prioritises growth over profit in the short to medium terms. These platforms use algorithms to collect and process data which information is then used by companies to target consumers and to monetise their services and products.

While online markets appear seemingly competitive in the short term; there are a number of regulatory concerns relating to issues of consumer data protection, privacy, consumer choice, and the ability of the consumer to be able to switch with ease from one supplier to the next without paying heavily or being locked to one supplier. Online markets are characterised by fewer dominant players who have a penchant to predate or force other small players out of the market through such schemes as locking or tying in customers.

In the wake of such rabid anti-competitive behaviours and the desire to diminish consumer benefits, competition and consumer agencies around the world including the CCA are investing their collaborative efforts to curb this unwelcome phenomenon.

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