



Press Statement

4th December 2020

COMPETITION AND CONSUMER AUTHORITY CELEBRATES WORLD COMPETITION DAY

Ever since the inception of the Competition and Consumer Authority (formally Competition Authority), the Authority has since 2011 observed December 5th as World Competition Day (WCD). The Authority participates in these activities not out of tradition but as a reflective gesture to affirm the institution's deep commitment to the ethos of competition as an instrument of economic transformation. It was on 5th December 1980 when the United Nations Conference approved the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, hence competition agencies and consumer groups around the world commemorate WCD on this day.

The 2020 World Competition Day theme is '**Competition Policy and Access to Health Care.**' There couldn't have been a more apt theme at a time when the whole world is reeling from the devastating effects of the Covid-19 pandemic.

The World Health Organisation (WHO) constitution envisages that the highest attainable standard of health is a fundamental right of every human being. It is conceivable that the primary goal of health care is to enable citizens to receive care services whenever needed and to deliver these services at a cost and quality that is prudent.

Universal access to health services is one of the most pressing issues that confront governments around the world, particularly in the Third World. Countries such as Botswana which have sparse populations strewn across the length and breadth of the country have a steep challenge to provide health services to all communities often traversing through difficult terrains. Disproportionate distribution of health services and health inequities, between districts, cities and rural communities are some of the greatest global challenges.

In a bid to surmount issues of universal access, inequities and quality service, various health care models are in use which include a combination of public, private for profit, private for non-profit and in Africa, Latin America and Asia there is even a provision for traditional medicine.

An efficient health system would not only be about infrastructure and trained medical personnel, it is substantially about the accessibility of the system, its responsiveness and the fairness of its financing. A cursory glance across most health systems will no doubt reveal that health is one of the most expensive services that gobble up a significant part of the budgets of most nations. The Abuja Declaration of 2001 committed African countries to spend 15 percent of their national budgets on health care in a bid to shore up the fragile health care systems. The fundamental question at this stage is whether nations can deliver a health care system that is accessible, responsive and fairly financed.

Out of the milieu of health options available to deliver the very lofty health ideals, it would be improbable to deliver such a health system outside the ambit of competition. Without robust competition, health services will be skewed, remain the preserve of the few and will be devoid of consumer choice and quality service. The health services sector is one of the highly concentrated sectors of the economy often characterised by patent monopolies in drugs and medical devices. Patents or Intellectual Property Rights (IPR license) are largely insulated from competition for the duration of the IPR license. The effect of IPR licenses is that IPR holders often charge above competition or monopoly prices for their products. Competition generally provides protection against regulatory over-reach even over IPR holders, ensuring that new competitors are not prevented from unfairly entering the market.

A competitive health care will generally lead to lower prices, improve wider geographical footprint of health services and quality services as opposed to non-competitive health markets. Competition in health care services will lead to cost containment particularly in developing countries where the health burden is financed predominantly through the already over-stretched public purse. Consumers, including the state, will reap benefits when there is robust competition and varied innovative solutions and choices offered.

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