

**Competition Policy in Mauritius**  
**20<sup>th</sup> July, 2010**  
**Sugar Beach Resort, Flic-en-Flac**

**Speech of Hon. Yatin Varma, Attorney General**

**Mr Satyajit Boolell, Director of Public Prosecution**

**Mr Rajeev Servansingh, Acting Chairperson**

**Mr John Davis, Executive Director**

**Mrs Kiran Meetarbhan, Deputy Executive Director of the Competition Commission of Mauritius**

**Dr Frederic Jenny**

**Mr Pierre Dinan**

**Ladies and gentlemen,**

It is a pleasure for me to be here this morning for the opening of the workshop on “Competition Policy in Mauritius”.

Let me at the very outset congratulate the staff of the Competition Commission of Mauritius for organizing this workshop. I have to say to that I am pleased to see the presence of the legal profession, business community, governmental, non-governmental and consumer organizations, which are important players and stakeholders. This is a testimonial of the growing importance and awareness of competition law and policy in the country.

The history of competition law dates back to the Roman Empire. An early example of Competition Law is the *Lex Julia de Annona*, enacted during the Roman Republic around 50 BC. Over the two millennia of history different terms have been used to describe this area of

law, including “restrictive practices”, “the law of monopolies”, “combination acts”, “the restraints of trade” and “anti-trust law”.

The two most influential models of competition law in the world today are the United States Anti-trust law, based on the Sherman and Clayton Acts, and the European Community Competition Law.

Competition Law, as you are aware, has three main elements:

- (a) prohibiting agreements on practices that restrict free trading or competition between / amongst business;
- (b) banning abusive behaviour by a firm dominating the market;
- (c) supervising mergers and acquisitions.

The benefits of having a competition law, I believe, is known to everyone here present. Suffice to say the following, I quote:

1. “I am convinced that a rigorous application of competition policy is the best way of guaranteeing economic freedom. Economic freedom, with a proper regulatory framework, is a precondition for the development of a free society”.

*(Mario Monti – October 2004 – Former Commissioner of European Union)*

2. “Competition is good for consumers for the simple reason that it compels producers to offer a better deal – lower prices, better quality, new products, and more choice”.

3. “Competition is not an end in itself but a process that advances goals of economic wellbeing, ultimately for consumers”.

*(Sir John Vickers, Former Chairman of the Office of Fair Trading (UK))*

The substance and practice of Competition Law varies from jurisdiction to jurisdiction. In Mauritius we have a small market and the particularities of our jurisdiction have to be looked at and carefully considered in the implementation of any competition policy or law.

The Competition policy as designed by the Government of Mauritius is to democratize the economy by giving equal chances to every citizen to do business in a competitive environment, by eliminating artificial barriers of entry into the different business sector.

The Government took several factors into account in the design of our competition policy including the concentration of ownership, income disparity, suspected excessive pricing and or predatory pricing, suspected collusion and standards or directives by international organizations. But like every competition policy, our competition policy is also aimed at promoting competition among existing businesses for economic efficiency as well as enhancing the consumer interest.

Our competition regime is quite unique. We had to be careful to cater for anti-competitive behaviours whilst at the same time not grinding our small economic market to a standstill. It is in this spirit that the Competition Act was framed to distinguish collusive agreements that would be outright objectionable from other apparent restrictive business practices, given that the number of economic players in the Mauritian market is quite small and most of the time considered as oligopolistic.

The Competition Commission has thus been endowed not only with wide powers of intervention but above all entrusted with the important and crucial responsibility of monitoring the market and ensuring that the right balance is achieved, thus ensuring that a level playing field is created and maintained for our producers and sellers, with the benefits deriving therefrom ultimately accruing to the consumers.

Indeed, consumer welfare is at the heart of our policy and its achievement should drive the priorities and guide the decisions of the Commission. However, competition policy equally aims at promoting innovation and productivity. It definitely brings benefits to business and the economy. After all, a well-designed competition law, effective law enforcement and competition-based economic reform promote increased efficiency, economic growth and employment for the benefit of all.

As you are aware, Government is committed to strengthen its endeavours to make of Mauritius a globally competitive economy. As announced in the Presidential Address 2010, focus will be on enhancing the competitive of the various sectors of the economy. I quote para 77 of the document "Reforms will be pursued to improve the ease-of-doing business, the investment climate and to further open up the country to foreign investors, expertise, ideas and capital. The focus will be on building the economic pillars of the future while at the same time further consolidating the existing ones and enhancing their competitiveness."

Competition is crucial for a small open economy like ours which is constantly being affected by external prevailing economic conditions. Even though Competition Law is designed to regulate the internal market, nonetheless because we have an open economy we cannot ignore the effects of the financial crisis in the United States and its impacts, and now the new daunting situation spawned by developments in the Euro Zone.

We need competition in order to improve economic performance which may also lead to technological advances and more innovation. We also need to restore trust in the market. It is therefore apparent that we need to maintain a strong legal and regulatory framework, which

promotes greater economic activity and better prepare us to face external crisis in the future, hence better economic resilience.

The government has recently decided to bring the Competition Commission under the aegis of the Prime Minister's office and this is a good signal to investors and the business community as a whole as this further strengthen the independence of the Commission.

No doubt I could go on talking on competition as this is such a lively and interesting topic and can raise a lot of passion. I rest assured that with such a panel of learned resource persons, as you have here present, the level of the presentations will equal the enthusiasm and fascination that this topic provokes.

Ladies and gentlemen, distinguished participants – I am sure, looking at the programme which I have been favoured, you will have very exciting and instructing discussions during the course of this workshop.

I wish you all the best and fruitful deliberations. I thank you for your kind attention.

I now declare this workshop open.