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<h2>MEDIA RELEASE</h2>		
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		Investigation Ref: CCM/MS/001 Cement
<h3>CCM launches market study of cement sector</h3>		

The Competition Commission of Mauritius (CCM) today launched a study of the market for cement in Mauritius.

The Competition Act 2007 empowers the Executive Director of the Competition Commission to “undertake general studies on the effectiveness of competition in individual sectors of the economy” [vide section 30(h) of the Competition Act 2007]. This is the CCM’s first such market study since it was established in 2009.

This is not an investigation of restrictive practices (investigation of infringement of the Competition Act). The purpose of a market study is to understand (and publicise) conditions of competition in a sector and the reasons for any lack of competition. If in the course of the study, the Executive Director comes across concerns that there might be infringements of the Act, then he will launch a separate investigation. If the market study finds problems in competition that are not infringements of the Act, the Commission can make recommendations to Government or others. There can be no penalties resulting from a market study, nor does the Commission have powers to enforce its recommendations.

John Davies, Executive Director of the CCM, said “A market study is a broad instrument of competition policy. Most of our work involves very narrow investigations of specific breaches of the Competition Act. Occasionally it is useful to take a step back and conduct a study that looks at all aspects of competition, including Government policy. This can help identify areas for formal investigations, but perhaps more importantly it can inform the public and Government about competition problems, and recommend possible improvements. The market study instrument is therefore particularly useful in sectors with significant Government

involvement or regulation, as the ‘restrictive practices’ sections of the Competition Act do not apply to Government policy.”

“At the CCM, we have heard a number of concerns relating to competition in the cement sector. At this point, we have reached no conclusions and are simply interested in understanding the market better. We will look at all aspects of the market, including the role of the State Trading Corporation in securing supplies, as well as the behaviour of private companies in the importation and the sale of cement in Mauritius. However, I would not expect to get into the question of whether the price paid by the STC is correct or too high. That is really not for us. We are more concerned with whether the competitive *process* is working in this market. We will publish our findings and any recommendations that we make.”

“This is a market study, not a formal investigation. However, if at any time during the study I have reasonable grounds to suspect that competition is being distorted by actions that might be breaches of the Competition Act, then we will launch formal investigations. I hope that all participants in the market will assist us with our study, and I especially encourage customers to come forward with their views.”

Background for editors:

The Competition Act

The Competition Act 2007 came fully into effect on November 25th 2009, and is enforced by the Competition Commission of Mauritius, the CCM. Part III of the Competition Act 2007, define restrictive practices, against which the Commission can take action and in some cases impose financial penalties. This ‘market study’, by contrast, is not a formal investigation of restrictive practices, but a general study conducted under Section 30 of the Act.

The Competition Commission Rules of Procedure 2009 empower the CCM to make specific requests for information or written explanations or otherwise visit the premises of companies which may be involved in the general studies. However, we cannot take remedial action nor impose financial penalties. The Commission can, however, make formal recommendations to Government if it believes that policy could be changed to make competition more effective.

Further information:

For further information see the CCM’s website at www.ccm.mu