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MEDIA RELEASE

Date: 15th June 2011

Ref: CCM/MS001

THE COMPETITION COMMISSION HOLDS PUBLIC HEARING ON THE CEMENT INDUSTRY

The Competition Commission of Mauritius has decided to hold a public hearing on the cement industry on 24 June. This hearing will give interested members of the public and business the opportunity to state their views on competition in the industry. This follows the CCM's Reports on the Cement Market Study prepared by the Executive Director, which recommended liberalization, and the government's announcement of liberalization in the cement sector that will start 1 July. The Executive Director, Dr. Sean F. Ennis, stated, "The Government's initiative to liberalize this sector is top class, fully in line with our cement reports published over the last year. But the transition between the highly regulated situation of today and the liberalized one of tomorrow is a delicate balance. Until new cement companies have actually started their operations, the existing ones could potentially take advantage of market power and raise prices. That is what must be stopped."

The Cement Market Study has been published and submitted to the Commissioners. In light of substantial upcoming reform in the cement industry, particularly the decision to liberalize the cement market by the Government, the Commissioners have decided to hold a hearing in order to give the opportunity to actual players and new entrants in the cement industry as well as interested parties such as players in the construction industry to give their views on the cement market.

The Executive Director noted "Raising prices is not a problem in itself and is not a violation of the Competition Act. For example, if international costs of cement go up, we would expect prices to go up in Mauritius as well. The concern is with price increases that have no justification on the cost side."

Members of the public who also wish to give their views are invited to participate. In the interests of all, after hearing out the various parties, the Commissioners will then be able to aptly advise the Government on competition aspects of the cement sector.

The hearing is public and will be held at 10.00 a.m. on the 24th June at the Competition Commission: 1st Floor GM Tower, 7 Maupin Street, Port-Louis.

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.

The CCM has various statutory powers and the Executive Director may inter alia, conduct investigations in case he finds reasonable grounds that anti-competitive conducts such as: collusion, abuse of monopoly power etc. are occurring. The Director may also conduct market studies on different markets of the Mauritian economy. The Market Study on Cement is the first market study conducted by the CCM.

Market Study:

Section 30 of the Competition Act 2007 gives a list of the **Functions and Powers of the Executive Director** which allows the Executive Director to “undertake general studies on the effectiveness of competition in individual sectors of the economy in Mauritius”.

The report is available on the CCM’s website:

<http://www.gov.mu/portal/sites/ccm/pdf/Cement%20Market%20Study%20Report-Public%20Version.pdf.pdf>

Further information:

For further information see the CCM’s website at www.ccm.mu or contact the Secretary to the Commission on phone: 211-2005 or by email: Beatrice.koonkungman@ccm.mu

