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Implementing Competition law: The South African experience

Presentation to the Competition Commission Mauritius on its 1st Anniversary

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Commissioner
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Towards a fair and efficient economy for all



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Background

- Democratic elections 1994
- Inherited highly concentrated economy with majority of the population excluded
- Policy priorities of new government:
 - Competitiveness
 - Employment creation
 - Participatory policy making
- Competition Act of 1998



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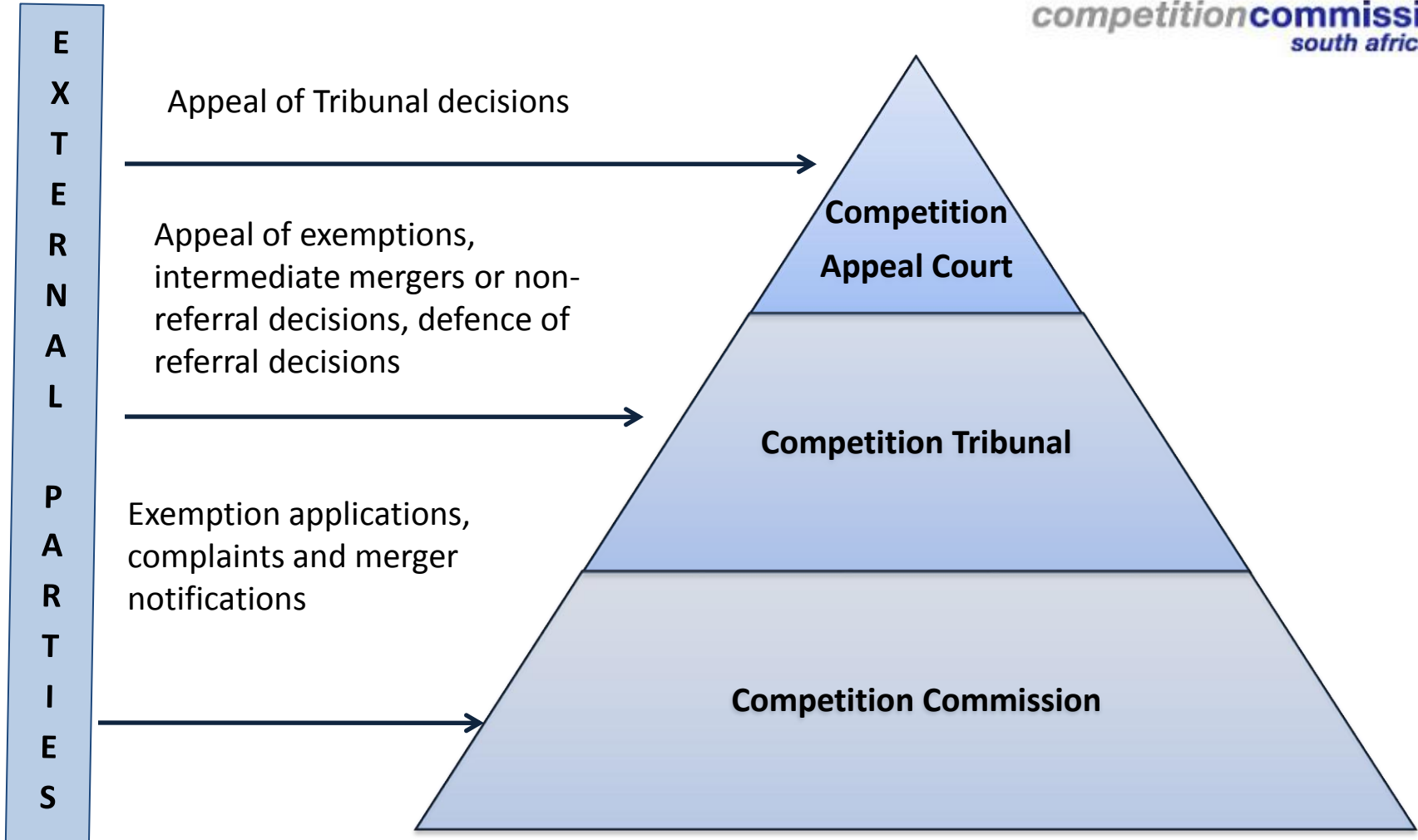
Mandate of Competition Authorities

To promote and maintain competition, in order to:

- Promote economic efficiency and development
- Consumer choice and competitive prices
- Promote employment and advance social and economic welfare
- Participation in world markets
- Equitable participation by SME's in the economy
- Greater spread of ownership



The competition authorities





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Commission's initial priorities and challenges (2000 to 2005)

- **Focus:**
 - Setting up the institution
 - Developing expertise within the Commission
 - Clarifying the law
 - Focus on merger control
- **Challenges:**
 - Sophisticated legal challenges
 - Staff recruitment and retention
 - Lack of institutional memory and knowledge management

Commission's strategic priorities (2006 to 2009)



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- Staff morale and motivation
- Align structure and work processes to strategic priorities
- The Commission as a centre of information, knowledge and expertise
- Approach and methodology to prioritization
- Advocacy and communication



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Prioritisation

- **Criteria for prioritisation:**
 - Impact on consumers
 - Cost of doing business
 - Economic growth and development
 - Competition concerns, especially cartels

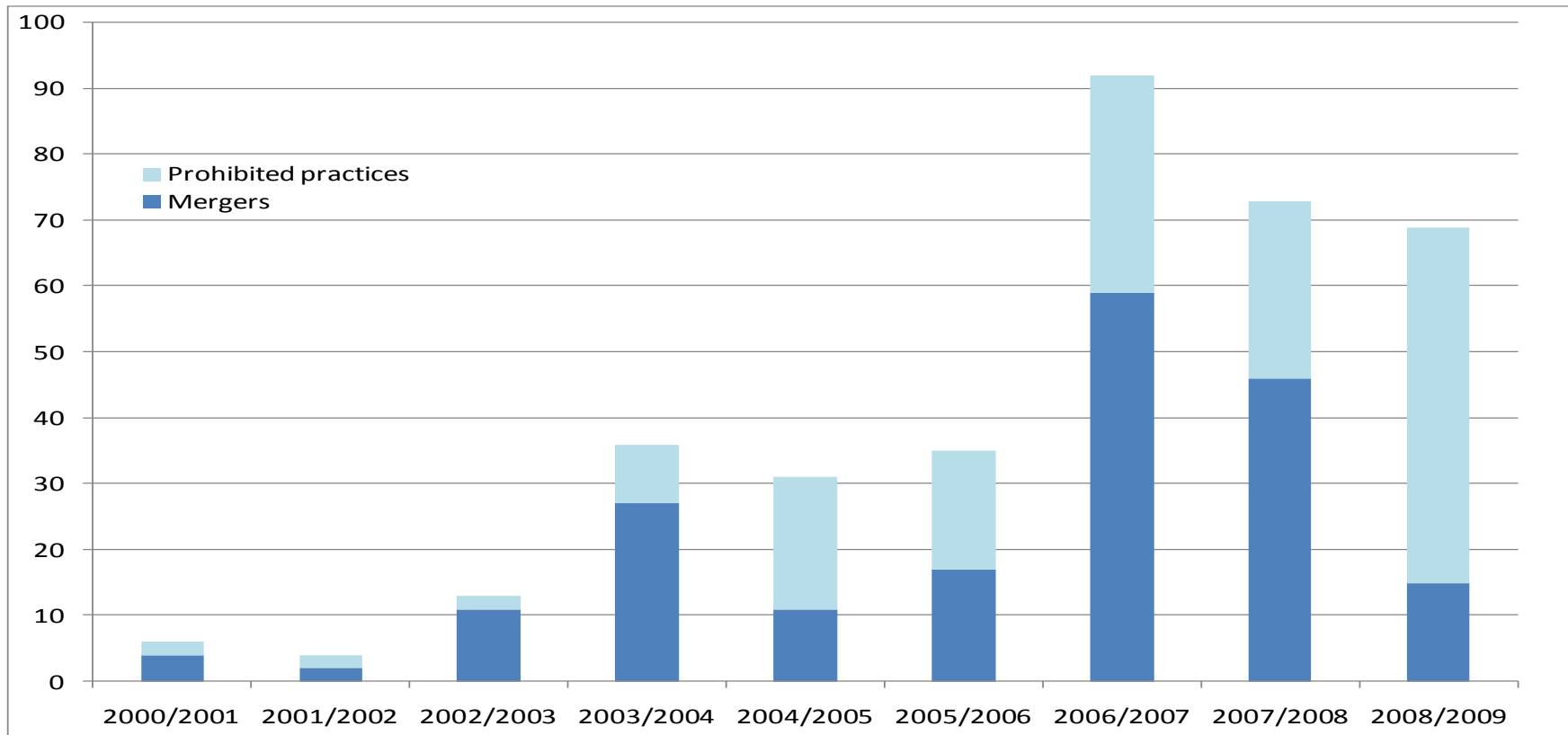
- **Priority sectors:**
 - Infrastructure and construction
 - Intermediate industrial products
 - Food, agro-processing and forestry
 - Financial services (banking)



3 main phases over the past decade

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Tribunal hearing days, for cases taking more than one day

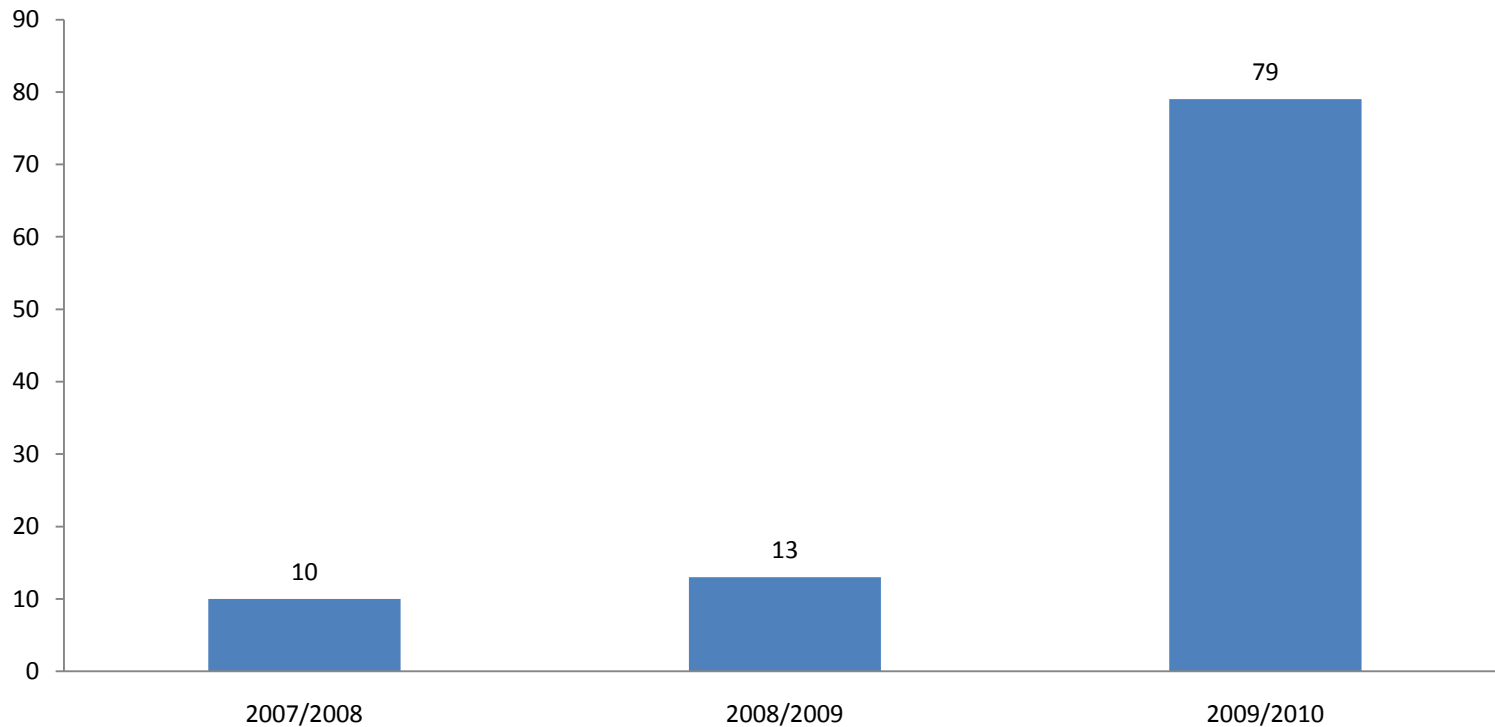


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Increase in enforcement activity from CLPs (2007 to 2010)



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High profile cases in priority sectors

- Bread and milling, dairy, fertiliser
- Steel, concrete
 - Bid rigging in public sector
- Chemicals, polymers
- Banking enquiry



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Relationships with other government bodies

- MOUs with sector regulators
 - Telecoms, Energy, Financial Services
- Advocacy with government departments
 - Workshops on bid-rigging in public procurement
 - Inputs on draft legislation



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Current situation

- Enforcement capacity demonstrated
- Greater public awareness
- Political support and commitment for resources
- Competition policy as industrial policy
- Amendment of the Competition Act (criminalisation)
- Relationships with other government bodies:

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Commission's current priorities and challenges (2010 to 2013)

- **Focus**

- Achieve demonstrable outcomes: evaluating our work, prioritizing our work, measuring impact
- Strategic partnerships to promote competition: proactive engagement, advocacy on government policy and practices
- Realize high performance agency: organisational integrity, efficient business processes, effective decision making, staff development, alignment to strategy, responsiveness

- **Challenges:**

- Capacity and resource constraints
- Implementation of criminalization of cartel conduct and market enquiries
- Increasing costs of litigation
- Showing outcomes vs outputs – impact assessment



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Going forward...

- Review of priority sectors
- Management development
- Focus on impact assessment
- Developing an effective knowledge management program

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Thank you!

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