

**SPEECH BY  
MR YUSUF DODIA**

**COMMEMORATION OF WORLD COMPETITION DAY**

**5<sup>TH</sup> DECEMBER, 2014**

**THEME: “COMPETITION ISSUES IN PUBLIC PROCUREMENT”**

- Representatives from the Ministry of Commerce Trade and Industry
- Representatives from the Competition and Consumer Protection Commission
- Representatives from Government departments and all Statutory Bodies
- Media present
- Distinguished Guests

**Ladies and Gentlemen**

It is my honor to welcome you all as we join the rest of the World in commemorating this year's World Competition Day. The world competition day is a campaign that was initiated to ensure that governments and consumers across the globe realised the potential benefits of having an effectively implemented competition regime.

It therefore gives CUTS international Lusaka much delight to see us coming together with the sole purpose of pushing the competition Law and policy agenda forward. Therefore, as we commemorate this day, let us take this as an opportunity to also reflect on some of the successes and challenges we have faced since Zambia introduced its first Competition Law in 1994 through to the subsequent reforms and amendments that have been undertaken, all in the strive to have an effective and efficient competition law regime.

Undeniably, competition has become a growing phenomenon not only among the developed economies but also in developing countries. Competition is a fundamental tenet of a well-functioning economy and encourages companies to provide consumers with the products and services that they want at lower prices, with better quality of service and stimulation for innovation and more importantly efficiency in allocation of resources. Over the years enough evidence has

shown that infusing competition in policy making processes is essential if the policies are expected to work for all.

***Joseph Stiglitz once said: "A strong Competition Policy is not just a luxury to be enjoyed by rich countries, but a real necessity for those striving to create democratic market economies".***

### **Ladies and Gentlemen**

Before I get into the details of this year's theme for World Competition Day, allow me to begin by giving a brief background of CUTS International Lusaka. As you might be aware, the organisation opened in Zambia in 2000 and it is affiliated to CUTS India.

The organisation has come a long way over the past decade partnering with different organisations both at international and global level with the sole purpose of influencing change in policy and economic decision making processes. Our work spans a multi-pronged agenda targeted to the realisation of its Vision of consumer sovereignty in the framework of social justice, economic equality and environmental necessity, within and across borders.

In simple terms, the Vision relates to the creation of Value for People in their diverse roles as consumers, producers and depositors/suppliers of human capital. As every citizen in an economy performs more than one and sometimes all these roles simultaneously, such creation of value should be looked upon as a single unified Vision for achieving greater Consumer Welfare through Consumer empowerment.

CUTS has in the past years emerged as a champion of the common and often disadvantaged stakeholders and this agenda has naturally led to a diversification of its programmes and focus areas which now span from good governance, trade and development, Competition and economic regulation, with a rights-based approach to sustainable development and human development in its traditional as well as contemporary sense. Thus, its agenda is not just about Consumer Protection but enhancement of Consumer Welfare.

### **Ladies and Gentlemen**

As you may be aware, CUTS in collaboration with the International Network of Civil Society Organisations (INCSOC) has been spearheading this campaign to observe the world competition day since 5<sup>th</sup> December, 2010. The 5<sup>th</sup> of December was strategically selected because it is the day when the UN conference on Restrictive Business Practices approved the UN set of Multilaterally Agreed Equitable Principles and Rules for the control of Restrictive Business Practices.

This year's theme "***competition issues in public procurement***" is timely as public procurement processes have a direct bearing on social gains for both producers and consumers. The relationship between public procurement and competition is increasingly receiving more attention, both in the policy making circles and among civil society organisations. It is becoming common ground that public procurement holds a complex relationship with market competition and that consequently, a tighter link between public procurement and competition law enforcement needs to be established.

According to a study commissioned by the OECD in 2003, three main challenges keep public procurement from being pro-competitive. First, the difficult balance in terms of procurement transparency created by the clash between competition and corruption concerns. Secondly, the potential anti-competitive effects that public procurement may generate. Lastly, the possible competition distortions that may occur as a result of the generalisation of public procurement processes.

### **Ladies and Gentlemen**

Zambia has not been an exception to this complex issue. In recent years recurring reports have been noted pointing to the fact that some public procurements have gone on without competitive tendering processes. We should come to the realisation that anti-competitive activities such as collusion, bid rigging, lack of competitive neutrality and abuse of dominance which characterise most government procurement processes cause adverse economic implications such as loss of efficiency and diversion of money away from developmental programmes.

CUTS believes that curtailing these activities would play a key role in creating an enabling environment that guarantees free contestable markets, transparent procurement processes and poverty reduction. However, conceiving such an environment is not a prerogative of the Competition and Consumer Protection Authority and the relevant government departments only but requires efforts from all stakeholders.

### **Ladies and Gentlemen**

Allow me to also acknowledge that as Zambia we have over the years grown to understand the benefits of effectively implementing competition regimes, especially with regard to the benefits accruing to consumers and producers. The Competition and Consumer Protection Commission has been working tirelessly to achieving this goal even with the scarce resources and the increase in the number of cases being handled by the Commission attests to this fact.

### **In Conclusion**

As CUTS international we believe that every economic activity has a resulting bearing on the consumer hence we stress the need for consumer- producer synergies and good governance for sustainable increase in consumer welfare. We also realise that developing countries such as ours are often faced with resource constraints, however, we would like to urge the government and policy makers to make resources available to effectively implement competition Laws.

We would also like to take this opportunity to encourage the government and policy makers to develop effective tools to prevent or deter collusion in public procurement which will help in generating very relevant savings for the government and boost its expenditure capabilities as well as make a significant contribution to the promotion of effective market competition in sectors where procurement accounts for the larger volume of its purchases.

Promoting competitive tendering processes in public procurement enables consumers to maximise value for their money and make intelligent decisions. Vigorous competition among suppliers also helps to enhance the economy of the country by generating demand and consumption.

