

Summary Event Report

National Reference Group Meeting

Capacity Building on Competition Policy in Malawi

(7Up3 Project)

A half day national meeting, marking the commencement of the Project on Capacity Building on Competition Policy & Law in Malawi was held in Lilongwe, Malawi on the 31st May 2005. This is a report summarizing the proceedings of the day.

The project is being supported by the Norwegian Agency for Development Cooperation (NORAD), Norway, and the Department for International Development (DFID), UK. Working in collaboration with CUTS- CCIER, the Malawi Economic Justice Network and the Centre for Social Research are the Advocacy and Research country partners respectively. The overall objective of the project is to take up research and advocacy activities for promoting fair market competition over a period of two years in Malawi and six other Sub-Saharan Africa countries.

Delegates from all over Malawi attended the meeting. Apart from the project partners (MEJN & CSR), the meeting also drew experts on competition from the private sector, competition & fair trading commission, the Malawi Government and civil society.

Welcoming the participants to the meeting, the Executive Director of MEJN, Mr. Collins Magalasi highlighted the need for the project, and its implications for consumer and business awareness and welfare in Malawi. He added that the initiative taken by CUTS was ‘timely’, especially in the context of the prevailing market scenario in Malawi.

Making the opening remarks, the Deputy Director of the Centre for Social Research, Mr. Munthali reiterated Mr. Magalasi’s remarks and expressed the need for a strong and vibrant NRG for the project’s success. He commended CUTS for supporting this ground breaking initiative and also the participants for showing great commitment to the process.

Following the opening remarks, the meeting then commenced to three sessions of discussions.

The first session was led by Mr. Temwa Gondwe, the Programme Manager for Trade, MEJN. He made a presentation on Capacity Building on Competition Policy and Law in Malawi in which (giving a background) he outlined the implementation framework of the project (objectives, output, implementation, sustainability). He finalised his presentation by challenging the participants to take up the issues of competition policy and law in Malawi as they represented the future in this trade liberalisation age.

Immediately following this presentation, Mr. Nair made the second presentation on the Role of the National Reference Group in the Project Process. Mr. Nair gave a broad outline of what the project formulators envisaged the role of the NRG would be. He however urged the NRG to brainstorm on exactly what they felt their role would be in the Malawi setup so that they are seen to be a relevant grouping or network of people.

Following these presentations participants made the following observations and comments, among others:

The idea of having an NRG owning and directing the overall process was ground breaking and good.

However, they felt there was a need to develop specific TORS for the NRG. And where possible, to learn from experiences of previous NRG's from the previous 7-UP project.

Participants also made some proposals as to the sort of activities they wanted to engage as NRG. These included:-

- Acting as a watch-dog of the Competition and Fair Trading Commission.
- Providing a platform for debate on competition issues
- Networking
- Raising awareness on Competition issues...public education
- A forum that identifies and exposes anti-competitive practices happening in the market around Malawi.

Following the discussions on the project and NRG, Mr Maxton Tsoka the researcher from the Centre for Social Research presented the PCP.

The PCP highlighted the Competition and Consumer Law issues in Malawi. Most importantly it spelt out the proposed areas of study and the methodology.

Areas of Study include:

- Structure of various markets (nature of competition and prevalence of anti-competitive practices);

- Level of competitiveness of local firms;
- Existing or potential entry barriers;
- Market concentration in various markets/sectors;
- Sector-specific regulation vis-à-vis level of competition (electricity, pharmaceutical, financial and telecommunications sectors);
- Stakeholder interest in the Commission and Council; and
- Institutional analysis of the Commission and Council (relationship to each other and similar COMESA bodies)

A plenary session followed led by Mr. Magalasi to especially discuss and get suggestions from NRG on the study areas.

Mr Chitawo from the Tobacco Association of Malawi reiterated earlier remarks on the timeliness of the project more-so in the tobacco sector which is facing a lot of collusive practices. Commenting on the PCP, he suggested that the study areas be specific and impact related. He said that the ideal situation would be where each sector gave suggestions as to which study area is most critical.

Mr. Botomani from the Malawi Tourism Association was concerned about the research being just another study. He said Malawi had too many studies lying idle, as such, the NRG & the project in general should ensure that the recommendations coming out of this particular research would find there way in Government and Business Policy action..."this study should not just be another study", he said.

Commenting on behalf of the Economics Association of Malawi, Mr. Thindwa suggested that the study should concentrate on coming up with recommendations that are practical and that can be taken up by the NRG as advocacy points.

Mrs. C. Lunduka the representative of the Ministry of Economic Planning and Development reiterated the need of a TORS for the NRG as a matter of urgency. *Something that should be completed before the second NRG meeting.* She suggested that a NRG meeting set up for after the study

(say in December) was too far away and that it was imperative that the MEJN/CUTS organize another NRG meeting before that to consolidate the NRG and allow the NRG to further own the whole process and plan for its future activities...” it is important that we maximize from this project by ensuring that the necessary capacity is built on competition issues in Malawi at both institutional and individual levels.

In responding to some of the issues raised, Mr. Tsoka assured the participants that their input to the PCP was vital and that their comments had been taken on board.

Mr. Collins Magalasi, the Executive Director of the Malawi Economic Justice Network closed the meeting. In his closing remarks, Mr. Magalasi, stressed the importance of the project and highlighted the projects envisaged impact and potential for driving change and positive welfare gains against poverty in Malawi. He closed by assuring the participants that MEJN and CUTS would brainstorm on how best more NRG meetings could be organized.