

Nigeria disadvantaged due to no competition law

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Inaugurating a national stakeholders' meeting on competition issues in Abuja, the Director General of the Consumer Protection Council (CPC) of Nigeria asserted that a consumer protection regime can only flourish if it is complemented by an effective competition law. She added that the absence of a competition law in the country has been detrimental to the process of evolving functional markets, in addition to hurting consumers.

The meeting was jointly organised by Consumer Empowerment Organisation of Nigeria (CEON), CPC and CUTS International, India, as a part of a two year project aimed at developing the awareness and understanding of national stakeholders on the need for effective competition regimes in seven countries of West Africa. Apart from Nigeria this initiative (referred to as the *7Up4 project*) is also being implemented in Burkina Faso, The Gambia, Ghana, Mali, Senegal and Togo with support from the Department for International Development (DFID), International Development Research Centre (IDRC) and the Ministry for Foreign Affairs, Sweden. Each project country is having these national stakeholders' meetings around the same time to familiarise key national stakeholders of the objectives and anticipated outcomes of this project, thereby identifying a group of national stakeholders (referred together as the National Reference Group, NRG) who could provide guidance and inputs in the process of implementing the project.

A key purpose of the meeting in Abuja was also to discuss the findings of a preliminary paper prepared by CEON on the state of competition in Nigeria. It was quite evident from the discussions that the government has employed a 'protectionist approach' to trade liberalisation in the country – imposing strict restrictions on import and export of various products. This is in spite of the fact that one of the main objectives of the national trade policy is improvement of competitiveness of domestic firms. Further, instead of improving the level of competition in the markets and bringing down prices of goods and services, privatisation in the country has resulted in the concentration of economic power in the hands of few big private firms. A shrinking contribution of the manufacturing sector to the GDP is worrisome, as was recognised by the participants. Therefore, an immediate task before the government was to encourage growth of the manufacturing sector, broadly the non-oil sector of the country. It was felt that consumer organisations have a key role to play in the process through pressure building and advocacy for the government to promote a vibrant private sector in the economy, instilling competition in the markets and bringing down prices of products and increasing choices, in the interest of consumers.

A clarion call was made to participants to educate themselves on the needs and benefit of a competition law, by utilising the opportunity that has been provided by the 7Up4 project, and contribute in the process of evolving and implementing the competition regime in the country.

The government has already made some progress in developing a competition law. In fact, there are two laws currently are being considered - one drafted by the Ministry of Commerce and Industry that would soon be discussed at the National Assembly; and another one recently developed under the aegis of the Bureau of Public Enterprises (BPE) and the Ministry of Justice. While these developments provide a lot of hope that a competition law would soon be embraced by Nigeria, it also seems to be the subject of a turf battle between different Ministries. It was felt that instead of duplication of efforts in developing a competition law, there should be coordination between government Ministries in the process.

On the overall, the stakeholders were pleased to be associated with the project, and thought it was opportune. There was consensus that the project would indeed contribute in building up pressure (from various quarters) on policymakers to adopt a competition law in the country without further delay, which has costed Nigeria dearly.
