

**Brief Report of the First NRG Meeting of the 7UP3 project held in NEPRU,
Windhoek on 16th August, 2005**

Venue: NEPRU Board Room, Time: 10:00- 12:00 hrs.

Introduction:

The First National Reference Group (NRG) meeting of the Namibian component of the project: Capacity Building on Competition Policy in select countries of Eastern and Southern Africa was being organized by NEPRU, the research and advocacy partner on 16th August. The advocacy partner responsibility was undertaken by NEPRU recently as the efforts to identify a suitable advocacy partner did not materialize.

Highlights of the NRG:

The meeting provided an opportunity for NEPRU and the country researcher Rehabeam Shilimela to discuss the project and disseminate the findings of the preliminary country reports before a few stakeholders.

The meeting had a couple participants who knew the importance of competition policy and law for Namibia and also for countries in the Southern Africa Customs Union (SACU). The media representatives were keen to know how the project could contribute to Namibia's economic development. There were two senior rep of the private sector, a senior officer from Planning Ministry, and also from the communications authority and two or three media persons.

Low Lights:

The stakeholder participation was poor at the meeting. There were only 12 or 13 participants attended the meeting and the whole NRG lasted only for two hours. The notable absentees included representatives of SACU secretariat, ministry of trade and industry, other key ministries, civil society organisations, trade unions, etc. The money allotted for the NRG cannot be justified as there was no cost for venue and minimal cost for the refreshment. NEPRU is presently located about 3-4 km away from the town where key departments and organisations are based. Perhaps, organizing the NRG at hotel or any appropriate venue could attract more stakeholders. The NRG invitation list also should have been expanded by including the key donors, trade unions, all the sectoral regulators, civil society groups, etc.

Brief Report of the Proceedings:

About the Project and the Role of NEPRU

The meeting began at 10.10 hrs and it was chaired by Dr. Dirk Hansohm, the Director of NEPRU, who spoke of the context and background by which the project was launched. He also highlighted the need for and the benefit of effective competition policy and law in small economies such as Namibia. The project would also complement the recent initiative of the Government in establishing a suitable competition policy and legal framework and also setting up a competition agency. The project, according to Dr. Hansohm would examine the existing elements of competition in the economy from the

perspective of the producers and consumers. The project would also provide an opportunity to understand the regional and global dimensions of competition policy and law by sharing experiences of other project countries. After these introductory remarks Dr. Hansohm invited Mr. Sajeev Nair of CUTS-Africa Resource Centre to make his presentation on the role of the NRG in the implementation of the project.

The Role of NRG in 7Up 3 Project Implementation

To start with, Nair introduced CUTS and its various Centres and their focus areas. He also talked briefly about the motivating factors behind the CUTS' work on competition policy and within the broad framework of consumer protection and economic equity. The 7up3 project also has a component of south-south and trilateral economic cooperation. In this the example of 7up1 and 7up2 were also explained.

Further, the role of NRG in this project was explained in detail and also the various proposed activities to be carried out under the project in Namibia and also in the region. In this regard the active participation of NRG members in the project consultative meetings and advocacy activities were also sought. Most the presentation was based on the common presentation paper for the project developed by 7up 3 secretariat.

Presentation of Namibia Preliminary Country Report

By Mr. Rehabeam Shilimela

Shilimela, in his presentation provided a detailed account of the various policies governing trade, national development and planning, industry, regional co-operation, etc. He also assessed the structure of the Namibian markets and the key elements of the competition policy framework. He also talked about the absence of any organized consumer body in Namibia to address consumer concerns vis-à-vis delivery of goods and services.

Questions, Comments and Discussion

Missing elements in the paper/presentation

Although the presentations addressed many of the domestic competition issues- but did not touch up on either the regional context (SADC/SACU) or the international context, such as UN guidelines on dealing with unfair trade practices.

EPZ policy

The Namibian policy towards economic processing Zones came up for scrutiny as some felt that the policy does not provide a level playing field for the players-hence does not conform with competition principles.

Common Policy for SACU

There was a suggestion to promote single competition policy framework for SACU member countries, if we want to promote coherence and complementarity. For, instance SACU countries agreed on a common monetary area- where RSA Rand is convertible and values other currencies are pegged to Rand rates. Further, there is single industrial policy for SACU- which is mainly the industrial policy of RSA and other SACU

members follow the same. There are two articles in the SACU agreement on competition. For instance article 41 of the SACU agreement deals with unfair trade practices in the region. Further the RSA competition agency does not deal with unfair competitive practices of RSA companies outside the country (eg. Collusive practices of RSA fertilizer companies in Swaziland)

Changes required in the competition Act

There were suggestions that the submissions made by the Namibian manufacturers Association on the competition act may be looked while doing the study. It also addresses some of the weak links in the present legislation including the budgetary allocation issues.

Consumer Representation in the competition authority

The absence of any credible consumer representation in the proposed competition authority need to be addressed in the advocacy

Internal transaction costs

If the competition policy should address real issues affecting the domestic companies, it should examine the internal transaction cost of companies due too multiple laws, etc. There is a need for domestic industrial policy for Namibia- in order to promote local industries.

Best example of comp. authority/financial independence

There were discussion on the independence of competition authority as presently Minister of trade and finance decides the financial and functional independence of proposed comp agency. The NRG, especially a senior member from the planning ministry wanted to know on how best the independence of the authority can be maintained by studying the examples of other countries in the region.

Cost benefit analysis of a competition regime

It is suggested to look at the above while advocating for a functional comp authority.

Affirmative action

Some felt that the some of the present empowerment policies of the govt. makes it difficult apply comp. legislation in many areas including key utilities to promote the disadvantaged in the society.

Multitude of objectives in the comp. act.

One has to look at the above since the economy is still young and there are multiple objectives to address.

As regards the role of NRG in the project, it was suggested that NEPRU should give a brief note on the same as it would help bring in more stakeholders.

There was suggestion that the reports should be given well in advance before the NRG for scrutiny. The group was keen to know the role/contributions of similar NRGs in the

7up 1 countries in terms of contributing to the process and how best the authority worked with the NRG.

The way forward

Country advocacy- should address the above issues

There is a need to set up a responsible consumer body in the country.

Share the details of the COMESA competition rules with NRG. CUTS should share more the experience of others countries to the NRG.