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THE NAMIBIAN ECONOMIC POLICY RESEARCH UNIT

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20 July 2007

**Minutes of the third National Reference Group (NRG) Meeting
that took place at the Namibia Hotel & Tourism School in
Windhoek/Namibia on the 19th of July 2007.**

The meeting started at 10h20.

Present:

Ms. N. Nghipondoka-Robiati, Agricultural Trade Forum
Mr. Edward T. Kamboua, Ministry of Trade and Industry
Mr. Douglas Reissner, Resource Person
Mr. Mihe Gaomab II, SACU Secretariat
Mr. Yusuf Daya, SACU Secretariat
Mr. Hennie Fourie, Namibia Manufacturers Association
Mr. Michael Gaweseb, Namibia Consumers Association
Mr. Rehabeam Shilimela, NEPRU

1. Welcoming and Introduction

Rehabeam Shilimela welcomed the participants and introduced the Capacity Building on Competition Policy Project. He indicated that the first two meetings for this project had presentations, but this meeting was to workshop and prepare for the National Training workshop on competition policy and law to be conducted by CUTS from 31 July until 2 August 2007.

2. Better consultation mechanisms for this platform

The meeting resolved that for now until the time when the Namibian Competition Regime is in place, this is a good way of interacting. It is good that the NRG is kept as a resource group even after the 7Up3 project. The workshop iterated that the platform could be strengthened by writing small opinion articles competition and on consumer issues in the media from time to time; by making use interviews by media people; and having columns in magazines or newspapers on these issues.

3. Identifying issues for discussion at NRG IV

The workshop requested the researcher (Rehabeam), with inputs from others, to prepare a mini-report that would stimulate the discussion. The report should have a synoptic map of competition issues in Namibia; information about what has transpired towards the implementation of the competition regime that should be requested from MTI for inclusion; comparisons with other countries or include some international case studies. This is very much in line with the envisaged Competition Toolkit to be developed under this project.

4. Burning competition issues in Namibian markets and Reflections on the implementation of the Namibian competition Regime

An update on Competition Regime

Mr. Douglas Reissner and Mr. Edward Kamboua, both gave an update on the progress towards the implementation of the Namibia Competition Act (2 of 2003) and the Namibia Competition Commission (NaCC). The said Act was passed by parliament in April 2003, but it is still due for enforcement pending the finalisation of regulations, procedures and employment of the chairperson for the NaCC. Regulations have been now prepared by MTI, edited through the Office of the Auditor General and are expected to be gazetted soon. Gazetting would then be followed by the determination of the date of coming into force of the Act by the minister of trade and Industry. The structure of NaCC is also due for approval by cabinet. The office for the commission has been secured and MTI is looking at implementing chapter two of the Act soon (on NaCC). Some NaCC members have already undergone training on mergers and acquisitions in South Africa. Capacity Building by MTI is not limited to NaCC, but reaches even to courts, who will handle referred cases from NaCC.

There are various offers for capacity building, but MTI cannot utilise these at the moment. More capacity building will be needed for the NaCC secretariat, to enable it carry out investigations, but this can only happen once staff for NaCC is hired and a capacity development strategy and plan developed. MTI, despite capacity constraints, is working hard to finalise all these in order to have a functioning competition regime by the end of 2007.

Some Competition related issues in Namibia

A number of competition related cases (acquisitions, mergers, predatory pricing etc) were briefly raised (details on these are to be provided in a mini-report discussed in section 2 above). The meeting then touched on the transitional provision in the Namibia Competition Act, whereby the NaCC upon commencement of duties, would track back competition issues that happened during the past 12 months. This is reported to make firms hesitant in affecting mergers since they are not sure whether such mergers will be scrapped or allowed to stand should they fall within the 12-month period. It was indicated that in determining thresholds, care should be taken not to harm firms – it is in the interest of the country.

The meeting pointed out that in some Namibian economic sectors, there is no independent price setting, but rather prescriptions from parent companies in other countries. An example was given referring to most of commercial banks. The ruling on bank charges in South Africa that is still due is therefore likely to have a bearing on the Namibian financial sector.

It was iterated that, in correcting market failures, competition affects the private sector. The private sector should then be able to propose policy changes to MTI for MTI to consider in its policy initiation (a consultative process). In order to compete, firms need to be competitive and that requires innovation, marketing, mass production to benefit from economies of scale etc. Market access for Namibian products is not a major constraint in many areas, but capacity to take advantage of markets.

More policies and laws in pipeline

MTI is in the processes of devising the consumer protection legislation, with linkages to other policies and laws, and will assist in establishing a strong consumer lobby once such framework is in place. MTI is also working on finalising of the Intellectual Property Rights (IPR) law. SACU is also currently working on a competition policy (cooperation basis) on the basis of Article 40 of the 2002 SACU Agreement.

5. Identifying training needs on competition - and scope of CUTS training (Draft Training Agenda).

The workshop resolved that this is an introductory training and believe that CUTS, based on their experience, know best what to cover. So, the workshop was generally satisfied with what was put down on the Draft Training Agenda.

The meeting ended 13h00

Douglas Reissner and Rehabeam Shilimela continued with planning on how to ensure good participation for the up-coming training. Douglas is to consult other NaCC members for possible meeting on 23 July 2007 (together with Rehabeam) for planning.

Programme and Agenda

Capacity Building on Competition Policy (7Up3 project)

Third National Reference Group Meeting (NRG III) - Workshop

Date	19 July 2007
Starting time	10h00
Venue	<i>Polytechnic School Hotel, C/o Beethoven and Brahms Streets, WINDHOEK</i>
10h00 – 10h15	Welcome and Introduction – Klaus Schade, Acting Director, NEPRU
10h15 – 10h35	Capacity Building on Competition Policy Project – Rehabeam Shilimela, NEPRU
10h35 – 10h50	Remarks, Douglas Reissner, Resource Person
10h50 – 11h50	<p>Floor Discussion:</p> <ol style="list-style-type: none"> 1) <i>Better consultation mechanisms for this platform: Capacity Building on Competition Policy. Possible platforms after this project.</i> 2) <i>Burning competition issues in Namibian markets – reflections on the implementation of the Namibian competition Regime (awareness, preparedness, consultations etc).</i> 3) <i>Identifying issues for discussion before training workshop;</i> 4) <i>Identifying training needs on competition - and scope of CUTS training (Draft Training Agenda).</i>
11h50 – 12h00	Emerging trends and the way forward – Rehabeam Shilimela
11h50 – 12h00	Emerging trends and the way forward – Douglas Reissner
12h00 – 12h15	Consumer Representation (NCA) – Michael Gaweseb
12h15 – 12h30	Remarks: Stakeholders from Sector Regulators
12h30 – 12h45	Any Other Business
12h45 – 13h00	Closure of the Meeting, followed by Tea/Coffee/Sandwiches