7Up3 Uganda

Competition Policy & Law

National Training Workshop Report

Held on 3-5 October 2007, Shangri-La Hotel, Kampala-Uganda

Organised by
CONSENT and CUTS International

Coordinated by
CUTS Institute for Regulation and Competition (CIRC)

With Support from

DFID Department for International Development
Norad

OCTOBER 2007
Introduction

Opening Session
While some people have different opinions on competition and fail to promote it, consumers continue to lose out irrespective of being the largest socio-economic group in any given economy globally CONSENT’s Chief Executive Kimera Henry Richard said at the opening session of the 7up3 Competition Policy and Law Training Workshop in Uganda held October 3-5 2007.

Welcomed participants as stakeholders from their respective work stations to the workshop and gave a brief on CONSENT-CUTS partnership, the 7up3 initiatives and the road to the workshop. Highlighted the project and workshop goals as building capacity on competition issues in Uganda to facilitate competition policy and law making domestic-national, regional and international levels; and raising awareness to stimulate decision-making and debate on competition issues among different stakeholders.

Ended his remarks urging participants to learn from the expertise of the International experts – resource persons invited to facilitate the training workshop. Called on them to highlight local non competitive scenarios to get international perspectives and experiences on how to address the issues at hand with regards to competition in Uganda.

Mr. Clement Onyango, Programs Coordinator, CUTS International Nairobi Resource Center in his opening remarks welcomed the participants and gave an overview of CUTS International. Shared the numerous programs CUTS coordinates and their outputs disseminated globally to input in policy development and implementation.

Shared the genesis of the “Capacity Building on Competition Policy in Select Countries of Eastern and Southern Africa’ - 7Up3 Project”. Informed the workshop that the training was part of the project implemented by CUTS International with support from DFID, London and NORAD, Oslo. Gave the objectives of the training workshops in the project countries.

Thanked the collaborators DFID and NORAD and the resources persons: Mr. Nkonzo Hlatshwayo, WWB, South Africa, Mr. Alex J Kububa, Director, competition and Tariff Commission, Zimbabwe and Ms. Elisa Holmes, Monckton Chambers, UK, for having spared time to build capacity of the trainees.

Concluded his remarks leading the trainees through a self-assessment questionnaire and wished them the very best in three days of training on behalf of CUTS International.

Technical Sessions
Day one, started with presentations from Mr. Nkozo Hlatshwayo on Introduction to Competition Policy and Law. Presented foundation and fundamentals of competition policy and law; their objectives and scope; and the anti-competitive practices and their effects on consumers (presentations attached).

Also presented on Horizontal Restraints and their different forms plus how to deal with them using a case study on Horizontal Restraints.
The training also received a presentation on Competition Analysis by Mr. Alex Kububa with focus on basic concepts; market definitions and structures plus structural and behavioural issues while dealing with anti-competitive practices.

The resource persons led the trainees through lively discussions summed up below, using their experiences in the respective Competition Commission and private practice positions giving examples of local, regional and international competition issues and challenges.

**Day Two**, trainees were led by Ms. Elisa Holmes through Vertical Restraints – Agreements; challenges and how to deal with the different types. Had a practical experience through a case study and local scenarios built along it during discussions for the benefit of the trainees.

She also introduced the workshop to Unfair Trade Practices, challenges and how they affect consumers and ways of dealing with them from a competition perspective and other regulatory mechanisms.

Mr. Kububa introduced Dominance and Abuse of Dominance to the training. Leading trainees through the characteristics that promote restrictive business practices and nature experienced in Africa and globally.

**Day Three**, Trainees were introduced to the linkage between Competition Policy and Consumer Protection from regional approaches and experiences to globally issues. Drawing attention of trainees on how competition promotes consumer welfares. Further introducing different models of hybrid laws and agencies dealing with competition and consumer protection.

The trainees later formed into National Reference Group and charted out the way forward focusing on the national competition policy and law. The session focused on the competition framework’s status quo; needs and strategic approaches to promote and its eventual implementation in Uganda.

**Summary of the Training Workshop Discussions**

- Competition policy and law is important to facilitate economy growth and development as there are employment gains, consumer access to quality products and choice from a variety, promotion of innovation and economic efficiency.
- Noted to effectively participate in competition issues nationally and globally, it is important to build on a domestic framework.
- Public awareness on the importance of competition policy and law to their day-to-day life.
- Capacity building is paramount to lay foundation for an effective institutional capacity to operationalize and implement the competition policy and law framework to address competition failures.
• Help address abuse of fair trade and consumer welfare through unfair trade practices, abuse of dominance and other uncompetitive practices prevalent today.
• Private sector irrespective of size is not bad but it is the way they behave and policy and regulatory framework is important to address prevalence.
• Unfair business practices increase poverty where the resource poor are cheated of the little they have.
• Competition reduces cost of doing business in any given economy and promotes consumer welfare.
• Note that political decision, interferences and directives stifle free and fair market operations. It is common occurrence in procurement processes and bidding at local and national governments.
• Correlation and challenges of Intellectual Property Rights and Competition policy and law can be addressed with linkages to other laws.
• Uganda’s Competition Bill under discussion with other existing laws should address prevalent restrictive business and unfair trade practices; infringement of business rights; poor quality products among others through effective legislation and enforcement mechanism for consumer protection and fair trade.
• Regional competition policy and law framework COMESA and EAC can enhance and promote implementation of national laws in respective countries in Uganda.
• Regional competition frameworks can also effectively address non competition practices in countries that can not handle abuse individually due to cross-border investments nature and influence.
• Competition policy and consumer protection comprehensively approached can enhance consumer protection, welfare and socio-economic efficiency, growth and development.

Way Forward
• Government should expedite enactment of Competition Policy and Consumer Protection Bills that are long over due to address non competitive practices to promote consumer protection and welfare plus economic development.
• Increase consumer awareness especially of their rights and responsibilities – role in the market place and benefits of policies and laws in that regard.
• Develop and build a competition culture for consumer welfare and economic development through awareness and training in institutions of learning like Universities.
• A quality culture and change of attitude of respective stakeholders to improve and promote best and good production practices for fair trade, standards and quality products.
• Competition in trade should be localized plus its benefits for appreciation by different stakeholders.
• Training of Trainers sessions should be organized to enhance local competition law capacity.
• A multi-stakeholder competition Working group should be formed to champion competition issues.
Closing Session

Mr. Kimera on behalf of CONSENT thanked the resource persons, NORAD, DFID, the trainees and CUTS International for the healthy partnership. Noted that the Training workshop tabled new challenges and pledged to work with the different stakeholders to address them and enhance consumer welfare and competition in the market place.

Mr. Onyango on behalf of CUTS International thanked the resource persons, partners NORAD and DFID plus the trainees for making the Training workshop a success. Observed that the challenge was on the trainees as advocates to see through the enactment and implementation of the Competition Policy and Law; and Consumer Protection Law in Uganda.

Mr. Kassim Omar on his own behalf as a trainee and that of Hon. Ahabwe Pereza whom he represented, commended CONSENT and CUTS International for taking on the challenge to train stakeholders on the importance of competition.

Observed that to effectively realize fair competition Uganda as a country needs to address challenges emanating from unfair competition as they in short and long term adversely affects the national economic and consumers.

Noted that unfair competition practices attributed to different forms of agreements between businesses lead to unfair forms of doing business depriving consumers access and choices of products, stifle innovations and increase costs of doing business. These need to be curtailed and strongly denounced through effective competition policy and legal framework.

Concluded his closing remarks by urging trained stakeholders to share their knowledge through sensitizing and advocating for effective competition regime to benefit Uganda; organizers and trainees to engage Government to appreciate competition requirements; interest the business community through sharing the benefits of competition; extend the trainings to other areas of the country; and engage the Legislature.