

COMESA unprepared for digital economy, CEO says – CUTS New Delhi

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The COMESA Competition Commission is not prepared for the challenges presented by the digital economy nor is it doing anything about it, its CEO George K Lipimile said recently.

“We need to come up with new models to deal with digital platforms; if we do not do so, we are in trouble,” Lipimile said, commenting on how competition authorities in emerging countries have limited resources and lack the requisite capacity to deal with evolving issues in the digital economy.

He was speaking at the 6th CUTS-CIRC Biennial Conference on Competition, Regulation and Development in New Delhi on 1 December.

COMESA, the Common Market for Eastern and Southern Africa comprises 21 member states, including Egypt and Kenya, and has over 520 million consumers, Lipimile said.

There is a tendency for digital giants to buy out small technology startups, which Lipimile said was a challenge for competition authorities in developing countries. Even when there is a case of abuse arising from what digital giants do, it is difficult for national authorities to investigate. As their investment in the market is so low, tech giants can have little regard for what national authorities have to say and would just shift their investments to another country, he said.

Most of the competition authorities in COMESA deal with traditional anticompetitive issues and are reluctant to deal with the online economy, Lipimile said. Authorities need to first understand what e-commerce is all about and how it affects consumers and competition, he said. A little knowledge is always dangerous, he said.

In the name of safeguarding consumers “we may end up injuring them,” he said.

by Freny Patel in New Delhi

PROPRIETARY

Sector: Government
Topics: Abuse Of Dominance/Single Conduct, Cartels & Horizontal Agreements, Merger Review, Policy Developments

Grade: Confirmed

Agencies
COMESA Competition Commission

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