



COMPETITION POLICY

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Scope of presentation

- WTO legal basis
- The principles behind competition
- Where does the EAC stand in negotiations?
- What is the situation in Cariforum?
- Implications and opportunities for EAC

WTO legal basis

- Competition is one of the “Singapore” issues (Singapore Ministerial 1996)
- Working groups set up to consider ways of simplifying trade procedures
- Also for trade and investment; government procurement; “trade facilitation”
- Included in Doha Development Agenda but dropped after Cancun 2003

WTO legal basis (2)

- GATT and GATS both include provisions allowing monopolies and exclusive service providers
- However, developing countries have resisted attempts to force them into commitments
- AU states that competition (and government procurement) should stay outside EPA negotiations
- However, EU continues to push for liberalisation

Competition: general principles

- Free and undistorted competition in trade relations
- Recognises risks of abuse of power
- Aim for laws and policies which encourage market forces while curbing mega-mergers, etc.
- EU proposals seen as likely to restrict rights to provide advantages to local firms
- EU proposals also seen as preventing development of appropriate local competition models

EAC present position

- Competition is one of the Article 37 (“Rendez-Vous clause”) issues for later negotiation
- EAC approach to-date has been to develop framework for TA and cooperation from the EU covering:
 1. Establishment or reinforcement of national competition authorities
 2. Development of national competition laws
 3. Development of EA regional competition authority
- However, no actual negotiations to-date

EAC present position (2)

- EAC view is that development of competition policy disciplines would help them govern behaviour of multinationals while also helping SME development
- **For discussion: any recent developments?**

Cariforum: a model to follow?

- Cariforum-EU EPA (1,953 pages) has two pages on competition. Main provisions:
 - Competition authorities are named
 - Five years to implement laws on competition
 - EU-Cariforum cooperation on enforcement and exchange of information
 - Cariforum states allowed to maintain monopolies
 - Five years to adjust any monopolies which discriminate between EU and Cariforum
 - Agreement on provision of experts, TA, legislation

Implications and outlook for EAC

- EU is not looking for immediate concessions
- Monopolies are allowed to continue
- Considerable scope for EAC to negotiate TA and other forms of support as part of EPA package
- **For discussion: what are risks, opportunities, negotiating priorities?**