



**DEVELOPMENT OF COMPETITION AUTHORITIES
IN AFRICA:
THE CASE OF COMPETITION AND FAIR TRADING
COMMISSION OF MALAWI**

**ACER CONFERENCE
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SUNBRID LIVINGSTONIA, SALIMA**

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OVERVIEW

- Malawi developed Competition Policy in 1997
- In 1998, the Malawi Parliament enacted the Competition and Fair Trading Act (CFTA)
- The Competition and Fair Trading Commission (CFTC) was established, in 2012-13
- The Commission is responsible for both competition and consumer protection matter.
- The Commission also enforces the Consumer Protection Act (CPA)



KEYS MILESTONES

- Advocacy- stakeholder sensitisation and engagements, mass awareness
- Enforcement
 - soft and hard- from issuing orders and behavioural remedies and recently issuing huge fines
 - complaint handling-number of complaints growing at an average rate of 20% each year
 - merger applications
 - exemption applications
 - Development of investigative manuals, guidelines etc
- Compliance programs- providing guidance to businesses, companies, trading associations, providing guidance on trade agreements
- Bilateral and international cooperation
- Market monitoring
 - inquiries and studies- financial, transport, poultry, fertilizer, cooking oil
 - Initiating investigations based on findings

CHALLENGES AND THREATS

Challenge/threat	Ways of addressing
Lack of awareness and understanding of mandate of CFTC address	Increased advocacy
Concurrent jurisdictions with sector regulators	MOUs, study on alignment of sectoral laws with CFTA
Budget constraints and lack of diversified resource mobilisation mechanisms	Regular engagements with Treasury and development partners
Capacity building and maintaining body of expert/specialist knowledge	Training and workshops
Markets and economic structures-highly concentrated markets, few mergers,	Regular monitoring of markets
Legal framework/ domestication/ harmonisation	Legislative Review
No cross border collaboration	
Few scholarly work and research to review the Commission's work and testing of the law	Engagement with the academia and

KEY PRIORITIES ON ENFORCEMENT

- Targeted advocacy and tailor-made engagements-business community, judiciary, national assembly, academia, students.
- Amendment of the law and regulations
 - Enhancing the power of the Commission
 - provisions on definitions e.g restrictive business practices; dominance; thresholds
 - Including the regional/cross-border dimension for enforcement
 - increasing penalties for violations
 - introduction of on-spot fines for some consumer violations
 - Consider buyer power provisions
- Engaging the academia to incorporate competition law in university curriculum for law and economics; and secondary curriculum for civics/social studies
- Enhanced cross-border collaboration- COMESA, AfCFTA, SADC

EMERGING ISSUES AND LESSONS

- Lessons from Covid-19 Pandemic
 - Markets require regular monitoring e.g. price monitoring and market observatories. Commodities markets highly affected such as cooking oil
 - Competition authorities can be used to solve socio-economic problems by providing advice and issuing economic positions to policy holders
 - Digital markets to be considered in decision making for mergers and abuse of dominance
- Increased issuance of fines has led to more appeals to decisions of the Commission. This will help test the law but also contribute to case law in competition matters
- Advocacy is key to achieving milestones for a competition authority. But has to be targeted and considered as a process and ongoing.

THANK YOU!

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