



Creating One African Market

The development of a competition framework for the success of the AfCFTA: Previous attempts within regional blocs and lessons to be learnt from Europe and Asia

Amrin Panjwani



# Introduction



- 1 January 2021 launch of the AfCFTA
- Creation of a single continental market for goods and services
- Enhance competitiveness at the industry and enterprise level
- Need for competition framework to enable this objective
- Existing regional blocs, such as COMESA and ECOWAS already have subsisting policies and agreements addressing competition issues in place
- Lessons can be drawn from the successes and failures of these blocs, as well as other successful integrative efforts in Europe and Asia



# Why competition?

- ▶ Not usually included in free trade agreements 
- ▶ Africa is a breeding ground for anti-competitive practices
- ▶ 54 signatory states all have in place different legal systems and diverse laws, with some countries not having any competition laws in place, whilst others struggling with implementation and enforcement



# COMESA

- ▶ December 1994
  - ▶ 21 members linking 583 million people
  - ▶ COMESA Competitions Commission established under COMESA Competition Regulations of 2004, however only commenced operations on 14 January 2013
  - ▶ Promulgated comprehensive legal framework governing competition related issues as well as various guidelines on ancillary matters such as restrictive business practices and abuse of dominance
  - ▶ Recognized as the most established regional competition authority in Africa so far
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# ECOWAS

- 1975
- 15 members linking 407 million people
- In 2007, ECOWAS adopted a Regional Competition Policy Framework, comprising 2 pieces of key legislation adopted by members in 2008
- ECOWAS Regional Competition Authority commenced operations in May 2019
- Very little data available on the Authority's activities to date

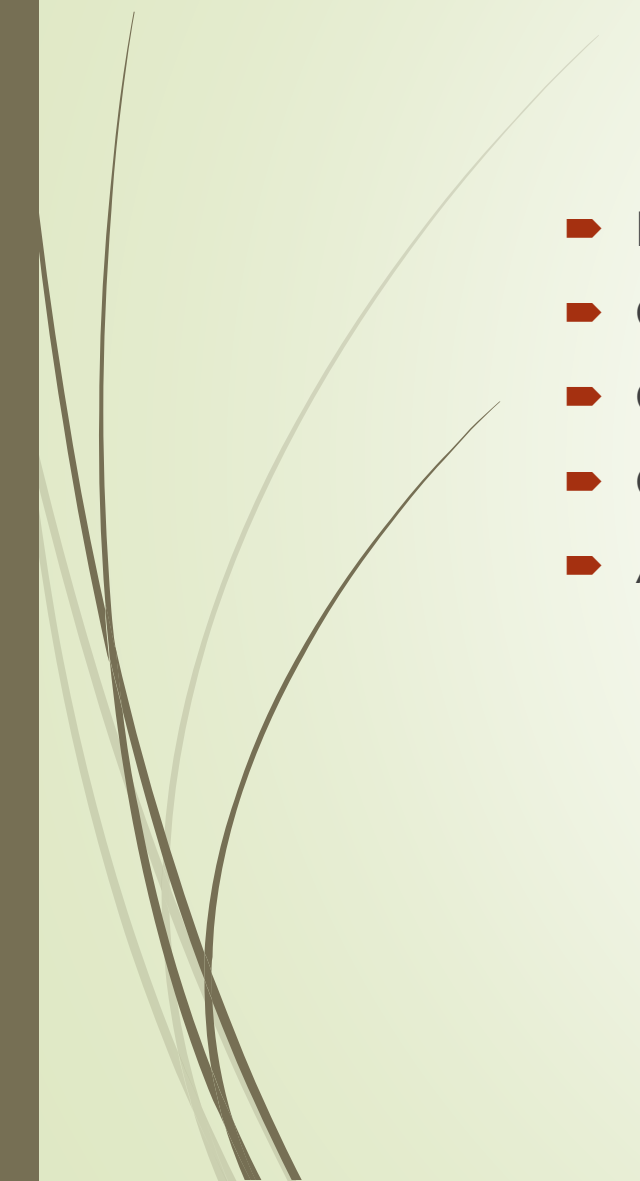


# Key features of a competition framework for Africa

- Definitions of key terminology
  - Defining concepts
  - Mergers and acquisitions
  - Consumer protection issues
  - Sustainable business practices
  - E-commerce and financial services
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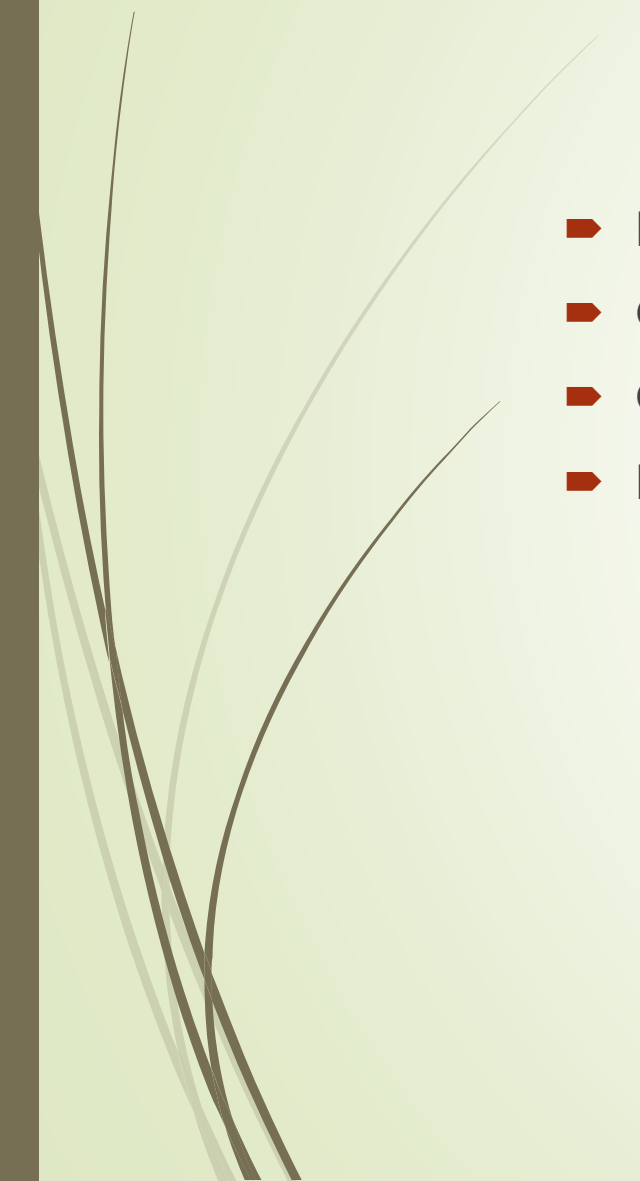
# Implementation and enforcement

- Regulatory body
  - Clear definition of jurisdiction
  - Central coordinating role
  - Capacity building to assist individual member states
  - Advocacy
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# Anticipated hurdles

- Differing laws and institutions
  - Overlapping jurisdiction of regional bodies
  - Countries with no competition laws at all
  - Failure to domesticate
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# Recommendations

- ▶ EU- uniform law
- ▶ ASEAN- promulgation of laws in member states and general Guidelines on Competition Policy
- ▶ Assessing Regional Integration in Africa Report by The United Nations Commission for Africa (UNECA)- 3 options- i) supranational authority, ii) cooperation framework, and iii) sequential combination of i) and ii)
- ▶ Fox approach- competition voice at the center with critical function development
- ▶ “Soft” law approach (ASEAN) with “slim” policy development, with central enforcement agency

