

# Promoting Competition Challenges & Ambition

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Mövenpick Hotel and Resort Al Bidaa, Kuwait

## Competition Policy and Micro, Small and Medium Enterprises

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# Competition Policy and Micro, Small and Medium Enterprises (MSMEs)

## THE ROLE OF MSMEs

- **Gender Balance – Department of Gender Affairs promote women and children**
- **Supply for their families**
- **Eventually play a major role in the economy**

# Session IV: Panel Discussion: Competition Policy and Micro, Small and Medium Enterprises

- ❖ The Government of Botswana formulated the Competition Policy in 2005 which was preceded by Economic Mapping Survey
- ❖ One of the factors of consideration was the need to safeguard and promote the growth and development of small and medium enterprises
- ❖ The safeguard was deemed necessary as the economy is made up of high concentration of large organisations which raises competition concerns due to possible abuse of dominance
- ❖ This led to establishment of the Competition Authority to implement the Competition Law
  - Check and monitor
  - Level playing field by removal of barriers
  - Public interest – Conditional approval of mergers and exemptions – recent conditions in alcohol industry
  - Investigations and Research activities

# Competition Policy and Micro, Small and Medium Enterprises (MSMEs)

## MINISTRY OF ENTREPRENEURSHIP

- The Government of Botswana came up with New Ministry which provides Leadership, Strategy and Overall Policy Direction and Standards on Business Development
- The Ministry Provides funding and entrepreneurship skills to MSME

# Competition Policy and Micro, Small and Medium Enterprises (MSMEs)

## MINISTRY OF ENTREPRENEURSHIP

- The Ministry came in handy at the time when the Competition and Consumer Authority of Botswana (CCA) was working with MSME after the country was hit by the pandemic
- CCA handled cases with them one of the cases they referred to CCA where in a milling industry was refusing to sell Screenings (i.e. maize refuse separated by sifting) to MSMEs and could only sell to one dominant player. Through CCA intervention the conduct was ceased and MSMEs were able to access the product

# Competition Policy and Micro, Small and Medium Enterprises (MSMEs)



## LAWS AND POLICIES THAT AFFECT MSMEs

- the need to safeguard and promote the growth and development of small and medium enterprises is a key component of the Competition Policy
- **CCA adopted OECD assessment toolkit.**
  - Health Industry barriers was removed to allow nurses to practice without going through medical doctors
- At the moment discussions are going to amend the Architects Registration Act to allow the technologists to practice and use their skill without going through the architects
- This shows that at professional bodies there is abuse of dominance that affect formation and growth of MSMEs



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# Competition Policy and Micro, Small and Medium Enterprises (MSMEs)

## LAWS AND POLICIES THAT AFFECT MSMEs

- The other important aspect to help consumers and MSMEs is removal of barriers through abuse of dominance through predatory pricing
- This affect MSMEs as large enterprises enjoys economies of scale. Watch out for cross subsidy
- Vertical Integration is another challenge. Large organisations should be aware that their future and sustainable survival is in MSMEs who are their customers. We handled a case where developers put restrictive clause that no one can run a butchery in a mall since anchor tenants are also running butcherries

# Competition Policy and Micro, Small and Medium Enterprises (MSMEs)

## AWARENESS ADVOCACY AND STATUTORY INSTRUMENTS

- Competition Policy works better where MSMEs and consumers are informed
- Majority of the cases we investigate comes from tip off. Recently CCA removed a barrier in agriculture vegetables industry. Farmers were refusing to sell to small enterprises and could only sell to large retailers 400 KMs away. Some of small enterprises were well informed and reported the matter to CCA. Barriers was removed and small businesses got help
- The public should be encouraged to come forward with information during merger assessments



# Competition Policy and Micro, Small and Medium Enterprises (MSMEs)

## AWARENESS ADVOCACY AND STATUTORY INSTRUMENTS

- Advocacy- Agencies are encouraged to continuously assess laws and policies for any Competition concerns
- The last hope for MSMEs is the Competition Policy
- In some instances the Government can consider Statutory Instruments. This worked during the pandemic and when there is Avenue for participation of MSMEs as it was done in bottled water and some confectioners

# Thank You

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