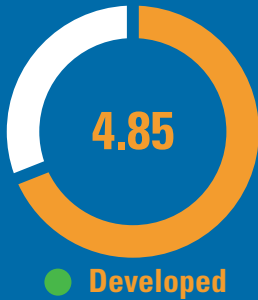




ARAB BUSINESS LEGISLATIVE FRAMEWORKS

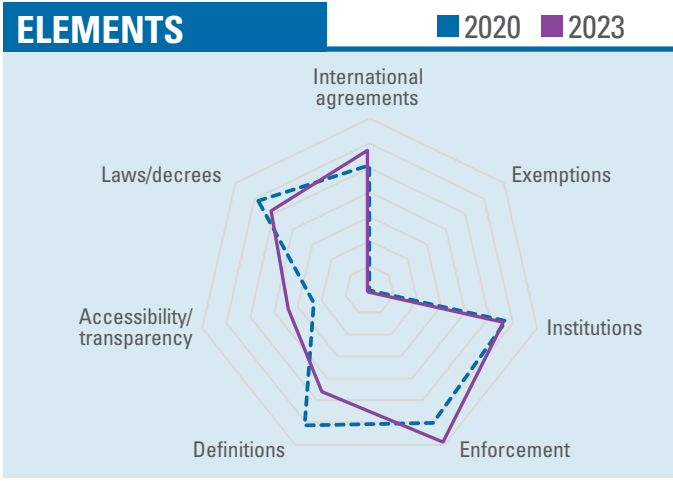
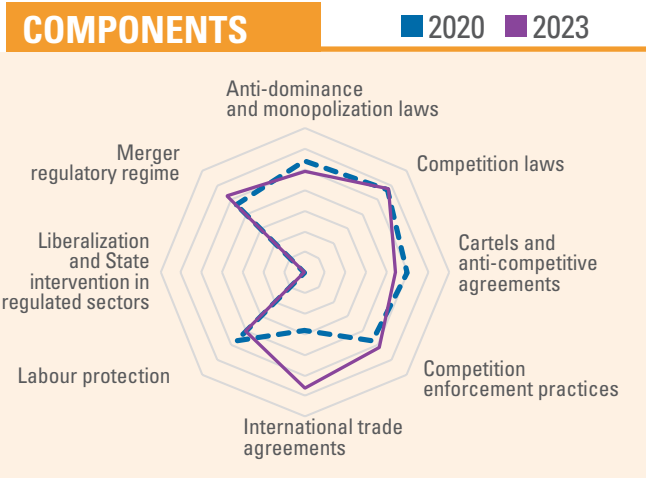


COMPETITION



● Very strong ● Strong ● Developed ● Moderate ● Basic ● Weak ● Very weak

COMPONENTS	2020	2023
Anti-dominance and monopolization laws	5.44	4.90 ▼
Competition laws	5.73	5.73 ►
Cartels and anti-competitive agreements	5.00	4.38 ▼
Competition enforcement practices	4.67	5.09 ▲
International trade agreements	2.80	5.60 ▲
Labour protection	4.67	4.00 ▼
Liberalization and State intervention in regulated sectors	0.00	0.00 ►
Merger regulatory regime	4.67	5.25 ▲



The competition regime in Qatar is managed by Law no. 19/2006. No amendments occurred in the past two years.



Competition laws

Although article 1 of the law provides clear definitions for a number of competition concepts, it does not cover important concepts such as collusion, cartel, dominance and crowding out. Article 2 aims to ensure fair competition practices in the market between all business players with respect to international agreements. However, articles 5

and 6 open the door for exceptions based, for example on a request if the agreement in question improves consumer welfare and reinforces competition (with no mentions of conditions and/or criteria). Also, State-owned enterprises and sovereign actions of the State are exempted from the provisions of the Competition Law.



Anti-dominance and monopolization laws

Dominance and monopoly are not defined by the Competition Law. Article 4, however, lists and prohibits monopolies and abuse of dominance practices such as imposing an obligation not to manufacture, produce or distribute a product for a specified period(s) of time, placing market barriers, controlling production, fixing prices, distinguishing between agreements/contracts based on prices and/or quality, halting deals in a manner that leads to unrealistic prices and the exclusion of competing firms from the market or their exposure to losses, and obligating a supplier not to deal with a competitor.

The law didn't specify a threshold, in percentages or in money values, for establishing a dominant position.

Article 17 states the sanctions for breaching the provisions targeting anti-dominance and monopolies. The sanctions include fines ranging between 100,000 and 5,000,000 Qatari Riyals, also the courts may confiscate unlawful profits due to a breach of the Competition Law.



Cartels and anti-competitive agreements

Article 3 prohibits anti-competitive agreements and contracts and lists a number of them. The prohibited practices include manipulating the prices of products, limiting the freedom of flow of products in and out of markets, preventing or hindering any person from practicing economic or commercial activity, etc. Also, article 17 states

the sanctions in case of breaching the provisions targeting anti-competitive agreements, but article 5 grants exceptions for anti-competitive agreements that will benefit consumers.

The law, however, has neither defined nor mentioned cartels.



Competition enforcement practices

Pursuant to the provisions of article 7 of the Competition Law, a competition committee is established, and it operates under the supervision of the minister of economy. However, there is no provision that indicates the scope of application of the law, especially for businesses operating outside Qatar and influencing

the internal market. Also, criminal suits or proceedings may be initiated with respect to the crimes stipulated in this law only with written permission from the Minister or his delegate (article 16). This limits the scope of enforcement by conditioning the proceeding to the permission of the Minister.

Article 8 lists the functions of the Committee, which include investigating competition cases, advising on competition matters, assessing concentration practices, taking appropriate measures while investigating violations, advising on reglementary draft provisions in relation to competition and monopolistic practices, and building an integrated database and information for the assessments

and necessary studies. Article 14 allows any individual to notify the committee of any anti-competitive agreement, contract or practice.

Pursuant to articles 13 and 9, all information and data shared is confidential, and the judicial control officers may investigate on their own (ex officio).



International trade agreements

This assessment was based on the trade agreement between the Gulf Cooperation Council and Singapore. The assessment sought to identify if there are conflicts between internal subsidization policies and the provisions of the trade agreement. According to article 5.2 of the trade agreement, provisions do not apply to subsidies or grants provided by a party. Therefore, it can be inferred that there is no conflict between provisions.

Last, the indicator related to exemptions in trade deals is still negative due to article 6.3. It is worth noting that in trade agreements, such exemptions are understandable since they are strongly related to the sovereignty of the State (debt and government bonds) and/or to internal economic policies that the Government can consider as top priorities.



Merger regulatory regime

Article 10 manages economic concentration transactions. In reference to its provisions, businesses acquiring assets/equities/usufructs, buying shares, accomplishing mergers, etc. should request approval from the Committee with no specifications regarding thresholds, conditions and timeframe. The criteria adopted for the assessment are clarified in article 3, and article 14 provides further protection against anti-competitive agreements by allowing any person to notify the Committee about merger and acquisition transactions.

Last, article 12 mentions that the Committee is allowed to cancel its approval if it finds that the information provided is incorrect, misleading or fraudulent. However, according to article 11, mergers and acquisitions that can contribute to economic progress can be exempted from the provisions of the law.



Labour protection

According to article 6 of the labour law (2004), there is protection for labour when merger and acquisition transactions take place. Also, pursuant to article 43 of the

labour law, the non-compete clause is prohibited (unless it is determined in time and space). However, the Competition Law has several shortcomings regarding labour protection.

RECOMMENDATIONS

- The Competition Law should include definitions for several basic anti-competition practices, such as monopoly, cartel, transparency, veto power (in mergers and acquisitions), etc.
- The Competition Committee should be independent of ministers and/or political figures.
- Further cooperation is needed, including the development of a memorandum of understanding with other competition authorities (regional and international).
- Stricter conditions for allowing exemptions should be introduced, with sanctions for non-compliance.
- A clear economic concentration regime must be established. Studies on the market (the impact of economic concentration) should include clear criteria and conditions (effect on prices, investments, veto power, etc.). Also, a clear definition for vertical and horizontal agreements should be included.
- Labour protection provisions should be added, such as the non-compete clause.
- A robust and categorized sanction regime with a deterring effect should be established.
- Markets should be liberalized for some vital sectors (especially where State-owned enterprises operate), and State interventions should be based on specific conditions/circumstances.
- Studies and/or decisions made by the Competition Committee should be published for greater transparency.

