



FAIR AND EFFICIENT MARKETS DRIVE PROSPERITY FOR ALL PROFESSOR OTLOGETSWE TOTOLO



BIUST Vice Chancellor Professor Otlogetswe Totolo giving the keynote address at the National Competition Symposium on 10th April 2019

The Competition Authority on 10th April 2019 hosted a National Competition Symposium under the theme *An Integrated Business and Competition*. The symposium was headlined by a panel discussion on vertical integration and how it impacts on a small economy such as that of Botswana. The second session was on state enterprises, and whether they enhance economic growth or are a hindrance. The last session of the symposium focused on the Authority's preparedness to transform into the Competition and Consumer

Authority as it is expected in the near future to implement the Consumer Protection Act in addition to the Competition Act.

Delivering the keynote address at the symposium, the Vice Chancellor of Botswana International University of Science and Technology (BIUST), Professor Otlogetswe Totolo, said one way to drive prosperity for all is by ensuring that markets are functioning well as they should because it is in the market where business happens, jobs are created, and incomes and overall social welfare is improved.

He said the Competition Policy which is implemented and enforced by the Competition Authority, as the regulator, clearly lays out government's facilitative role to ensure that competition is encouraged in markets.

"Regulation is needed to ensure that businesses are not behaving anti-competitively as this leads to resource misallocation, consumer exploitation and an overall reduction in social welfare.

Professor Totolo said markets that embody attributes of perfect competition such as many buyers and sellers, free entry and exit into the market and symmetric information amongst others, are widely accepted as being ideal for society. However, markets are not always magnanimous.

"Markets do not always embody these attributes because as firms compete, each one attempts to outfox the other by differentiating their products and services to try and attract many consumers to itself. Information is asymmetric because a seller would not want to reveal their trade secrets to competitors. In some cases, there are few big firms that dominate the market co-existing with many others that are

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smaller and struggling to survive. The dominant firms undercut the smaller firms forcing them out of business”, he noted.

Addressing the topic of vertical integration, Professor Totolo said the ability to integrate a business comes as the business grows and it is also a function of resources availability, access and capability of business owners. He said when one looks around at markets in Botswana, it is easy to see that it is the well-established ones, the incumbents, who have cultivated a niche for themselves, are resource rich and have the capability to integrate that have done so.

“So, we have few big well integrated businesses existing alongside small businesses which in some cases are start-ups. The question is do we want broad based development that touches every-

one’s lives in Botswana? If we do, then we must do everything possible to support Small Micro & Medium Enterprises (SMMEs) and start-ups. More so now that we face challenges of unemployment and the working poor. In some cases, people are compelled to go into small businesses to supplement their incomes. But if there is no market for the goods and services that are produced by SMMEs what is the way forward?”

He observed that “because the integrated firm owns its value chain it can procure the inputs at a lower price compared to the SMME. This makes the final goods from the small local business more expensive than the imported goods from the integrated firm. Consequently, the SMMEs are outcompeted in the market. When this happens the

business closes and we have less employment, which translates to lower incomes and reduction in social welfare”.

Turning to state-owned enterprises, Professor Totolo said there are certain instances when the size of the market makes it better to allow for a natural monopoly such as is often the case with utility companies such as the Water Utilities Corporation and Botswana Power Corporation. However, he observed that a monopoly that faces no competition from anyone leads to inefficiency. “A lot of inefficiencies are incurred; production, service delivery and revenue collection are poor, and these impacts negatively on the business and reduce social welfare”, said Professor Totolo.

Editor’s Note: Professor Totolo’s full speech can be accessed on the CA website

BOTSWANA’S COMPETITION AUTHORITY BENCHMARKS WITH REGIONAL COMPETITION AGENCIES

Some departments of the Competition Authority of Botswana (CA) benchmarked with sister competition agencies in the SADC region in the 4th Quarter, with the objective to learn from each other and share best practices.

As the CA is in the process of integrating with the Consumer Protection Unit of the Ministry of Investment, Trade and Industry to become a new entity; the Competition and Consumer Authority; the CA’s Communications and Advocacy team led by the Director Gideon Nkala, embarked on a benchmarking visit with Malawi’s Competition and Fair Trading Commission (CFTC) from 11th to 15th March 2019, to learn and appreciate the different processes of the CFTC especially with regards to consumer related issues.

The team’s particular interest was on how CFTC engages with stakeholders as well as the different processes that it undertakes to fulfill its communications and public education mandate.

The CFTC Team, led by the Director of Consumer Affairs and Education, Mr. Lewis Kulisewa, briefed the CA team on various aspects of their structure and operations.

In addition to interacting with CFTC staff, the Botswana delegation also met and received briefings from officials of COMESA Competition Commission, Public Procurement and Asset Disposal



CA Communications and Advocacy Team at COMESA Competition Commission in Lilongwe L to R: Innocent Helema, Mary Gurure, Ali Kamanga, Kelebogile Ngwenya CA, Gladys Ramadi CA, Willard Mwemba, Gideon Nkala CA, Siboni Maseko

Authority, Malawi Energy Regulatory Authority, Malawi Communications Regulatory Authority, Malawi Bureau of Standards, Consumer Association of Malawi, the Reserve Bank of Malawi, the Director of Trade in the Ministry of Industry, Trade and Tourism and the Gaming and Lotteries Board. The Botswana delegation’s benchmarking exercise culminated with attendance of the World Consumer Rights Day commemoration which was hosted by CFTC in the town of Salima on 15th March.

In another benchmarking exercise, the

Department of Legal and Enforcement visited the Zambia Competition and Consumer Protection Commission (CCPC) from the 4th to 8th February 2019. The main objective of the exercise was to witness a competition litigation trial and all the processes that go into its preparation. This comes as Botswana has a new Competition Act that will commence in due course with one of the critical changes to be ushered in being the prosecution of cartels, and Zambia has a similar provision.

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The team led by the Director of Legal and Enforcement, Mr. Kesego Modongo, also attended a trial and Tribunal hearings and also met members of the Competition Tribunal. It also attended a management meeting to observe discussions on how CCPC handles cases to ensure



CA Legal & Enforcement team at Zambia CCPC in Lusaka. L to R. Goitsemotimo Tseladikae, Marian Mwalimu, and Kesego Modongo

effectiveness. The Botswana delegation also had a session with the Zambia Legal Team in preparation for a particular case.

Still on benchmarking, the Department of Mergers and Monopolies team undertook a benchmarking exercise with the South African Competition Commission (CompCom) from 4th to 8th March 2019. The aim of the exercise was to garner techniques on merger related processes with the view to improving operational efficiency. This was a highly interactive exercise that saw the Botswana team engaging the Commission's Mergers and Acquisition Department and the Economic Research Bureau.

Current cases were benchmarked in order to measure decisions taken by the Authority against the views of CompCom on merger related transactions. The Commission shared case precedence including that of mergers notified simultaneously in both the South African and Botswana jurisdictions, and the different approaches to case analysis were interesting to note, particularly be-

cause of the different economic dynamics.

The highlight of the benchmarking exercise for the Botswana team was the tribunal hearing for merger cases. The team was led by the Director of Mergers and Monopolies, Ms. Nomathemba Dladla.



CA Mergers and Monopolies team at CompCom in Pretoria. L to R, Othusitse Oletile, and Nomathemba Dladla

ICN MEMBER AGENCIES SHARE BEST PRACTICES ON ADVOCACY



Delegates at the 2019 ICN Advocacy Workshop held in Kiev, Ukraine from 28th February to 1st March

The Antimonopoly Committee of Ukraine hosted the 2019 International Competition Network (ICN) Advocacy Workshop from 28th February to 1st March, in the capital Kiev. Held under the theme *Competition Advocacy - From Barriers to Prosperity*, the workshop was attended by about 70 member agencies of the ICN including Botswana, who shared experiences on effective advocacy strategies and the challenges competition agencies encounter throughout the life cycle of their advocacy work. The Workshop provided an

opportunity for competition agencies to share their experiences and best practices, with an array of competition advocacy topics including; competition advocacy in natural monopoly markets, competition authority's involvement in privatisation processes, collaboration with stakeholders, competition advocacy and enforcement, and competition advocacy in the digital era.

Meanwhile, the Competition Authority of Botswana was amongst the over 100 organisations that were represented at the 2019 Anti-Trust Spring Meeting

that was held in Washington D.C in the United States on 26th to 29th March 2019. The 67th Spring Meeting, hosted by the American Bar Association, brought together all segments of the global competition and consumer protection community including enforcement officials, private attorneys, in-house corporate counsel, academics, judges, economists, and business people - to share knowledge about all aspects of competition and consumer protection law.

The meeting discussed a wide range of pertinent competition issues ranging from enforcement, investigations, advocacy, merger control, consumer protection and agency effectiveness issues such as ethical conduct. The meeting featured interesting presentations such as the impact of social media on competition and mock presentations of real anti-trust cases in a simulated court environment.

The CA team was led by the Chairperson of the Competition Commission, Dr. Onkemetse Tshosa. Over three thousand delegates from 68 countries were in attendance, becoming the world's largest meeting of competition and consumer protection professionals.

Thabang Thalerwa

BCB: Tell us about yourself!

Thabang: I am a young man of 32 years, I come from a village called Metlobo kwa ga Ngwake-tse. I went to UB for my graduate studies in Economics and Population Studies. I consider myself as an open book, I relate well with a lot of people. I am a God fearing man and I am very patient and focused. I aspire to be a commercial farmer and my hobbies include watching soccer, gym activities and cooking. In terms of giving back to those in need, I am a regular blood donor and I encourage those who are willing and able, to do the same.

BCB: Why did you apply for a position at the CA?

Thabang: I joined the Authority as an intern in October 2012 and was absorbed as temporary Assistant Analyst in the Department of Investigations and Research Analysis, which I undertook until 2018. I was tasked with receiving and screening of complaints, investigation of anti-competitive matters as well as research. When the opportunity for a permanent position came up I told myself that this is it. I believed that I have everything it takes to compete for the position and all I had to do was get myself ready for the interview. The opportunity in the Mergers and Monopolies Department also presented a chance to explore other functions of the Competition Authority in terms of the mandate of the organisation. I want to grow with the organisation and serve at higher positions and therefore I need to acquire the right skills and relevant experience.

BCB: What are your duties and responsibilities at the CA?

Thabang: Some of my duties and responsibilities include: conducting merger assessment in accordance with the stipulated statutory timelines, assessment of completeness of the information submitted by the parties, issuing out merger notices, stakeholder letters and merger assessment reports; and presentation of assessment findings to the Mergers Review Committee. I also take part in monitoring compliance with the Authority's decisions or undertakings by enterprises.

BCB: What did you do before joining the CA?

Thabang: I never worked anywhere before joining the Authority, and joined through the government internship program as a fresh graduate from the University of Botswana. I once undertook an industrial attachment at Barclays Bank as an Assistant Compliance Officer. During our time at UB, students enrolled for double major courses were not afforded the opportunity to go for industrial attachment. This prompted me to apply for attachment without any



Mr. Thabang Thalerwa - Analyst, Mergers and Monopolies

allowance as this seemed unfair to me. That's how I deal with life. If I want something I go for it regardless of the obstacles before me.

BCB: What are your experiences at the Authority so far?

Thabang: I have realised that people from the southern part of Botswana are not keen to travel and therefore end up not knowing other parts of Botswana. The Authority gave me that opportunity to travel and get to know Botswana better. Through the five research studies that I assisted with, I managed to sleep in the best hotels, to see the most beautiful places such as Kasane, Maun, Shakawe and Tsodilo Hills. Other than that, I never thought I will see myself making presentations in the Boardroom or directing a ceremony but the Authority afforded me those opportunities which highly enhanced my confidence and my professionalism. The Authority gave me aunts, uncles, sisters, brothers, cousins, friends as well as parents who give me guidance each and every day.

BCB: What is the best thing that has happened to you at the CA?

Thabang: The best thing was becoming a permanent and pensionable Thabang of the CA and being appointed as an Analyst. I had

worked for the Authority since 2012 as an intern then given a temporary position after two years. The journey was not an easy one considering the current cost of living, especially in Gaborone. It is what I have always wished for and I thank God for such a blessing and the people he used to grant me this opportunity. The Competition Authority has a distinctive culture and the Thabangs are more like relatives than just mere colleagues. This is the kind of environment I like to spend.

BCB: What do you find most challenging about the CA?

Thabang: As already stated, the culture displayed at CA is very accommodating and exciting. It is more like "work hard - play hard" and the organisation is more of a family and this makes it difficult for Thabangs to leave and to explore other avenues.

BCB: If you were to leave the CA now what special memories would you take with you?

Thabang: I would definitely treasure the staff retreats and Christmas parties. There are other team building activities such as Wellness Week and Culture Week which also contribute to team spirit. The most exciting one is the ALL-MITI Parastatals Games where I am not only in the organising committee, but am also an active participant. I was part of the best relay team in 2017 which scooped position 1 and help CA to win overall position 2. The most valuable thing is the work experience I have gathered over the years.

BCB: Where do you see yourself five years from now?

Thabang: I believe I will be well advanced in terms of my career and will be executing the mandate of the Authority in higher positions. I believe a combination of the investigations and research experience, with assessment of mergers and acquisitions, will assist in my career journey. I hope to be in a senior position in the near future, and maybe work in a management position five years from now. I also want to further my studies and attain professional qualifications to substantiate my experience as this is a requirement for higher positions.

BCB: Is there any wisdom you wish to share?

Thabang: I am no wise man but I believe I have learned a lot from the people around me. Whatever situation you are faced with, be it good or bad, there is always a lesson learnt. Some of the challenges are meant to prepare you for new beginnings and a brighter future. Learn to forgive and aspire to build unforgettable relationships.

PICTORIAL



Part of the audience at the National Competition Symposium on 10th April 2019. In front is the Chairperson of the Competition Commission Dr. Onkemetse Tshosa and the CEO Ms. Tebelelo Pule



L to R: Commissioners Dr. Selina Peters, Mr. Koonyatse K. Tamasiga and Mr. Tendekani E. Malebeswa at the National Competition Symposium



CA's Communications and Advocacy Team during a benchmarking visit to Malawi Communications Regulatory Authority L to R sitting: Mr. Lewis Kulisewa, Mr. Godfrey Itaye, Mr. Gideon Nkala. Standing L to R: Ms. Gladys Ramadi, Mr. Augustine Nyirenda, Mr. Innocent Helema, Ms. Kelebogile Ngwenya, Ms. Thoko Chimbe



Commemoration of World Consumer Rights Day hosted by the Competition and Fair Trading Commission in Salima, Malawi on 15th March 2019

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