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PRESS STATEMENT

Competition Authority Commemorates World Competition Day

Every year on December 5th, since 1980 when the United Nations Conference approved the United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business, competition agencies and consumer groups around the world commemorate World Competition Day (WCD).

The Competition Authority will on Wednesday 5th December, join the rest of the world to celebrate World Competition Day (WCD). This year the WCD theme is “*Digital Economy, Innovation and Competition*”.

Digital Economy, Innovation and Competition

Economies of the world are constantly evolving; and over the years we have witnessed phenomenal innovations that have transformed global economies. Countless products and services that are efficiently produced enter the global market daily. These massive innovations have a positive effect on consumer choice, and most importantly, the net price of consumer goods and services has been reduced. Product innovation is a potent antidote against debilitating business practices such as market concentration and excessive pricing of commodities and services.

In the recent past, digitisation of markets has taken a foothold over world markets including making a sustained growth in emerging markets. There is no doubt that the Internet has been the major catalyst of the digital economy.

The Internet, big data, cloud computing and financial technologies have revolutionised the way trade is conducted, the use of digitised information and knowledge have become key factors of production; more transactions and trade interactions are conducted over the Internet. This phenomenon has created benefits and efficiencies by removing a number of middlemen in the supply chain and flattened the cost of goods and services while fuelling job opportunities and economic growth. More agile and smart networked Information and Communications Technologies (ICT) that facilitate payment, lending systems and promote financial inclusion undergird the digital economy.

While the digital economy and innovation herald all these positive economic transformations and consumer welfare effects, there are attendant competition challenges that seem intent on diminishing the returns. The biggest challenge is digital divide, reliability and security of data. Most users, particularly in emerging markets, do not have access into the digital highway. In addition, there is the unfortunate propensity, particularly in weak markets, for digital first movers to gain market traction and entrench themselves as quasi-monopolies. These challenges, although not insurmountable, present competition agencies with an unfamiliar enforcement problem. As regulators, competition agencies, including the Competition Authority of Botswana, have a duty to ensure that competition is protected and that consumers derive benefits from digital economies.

While celebrating this day, the Competition Authority will be pointing the public to the benefits of competition in the improvement of the people's livelihoods which are a direct benefit of correcting market failures. Ever since the advent of the Competition Authority in Botswana there has been progressive overall improvement in market access and strengthening of competition across sectors.

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