

WELCOMING REMARKS

BY

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CHAIRPERSON

NAMIBIAN COMPETITION COMMISSION

BOARD OF COMMISSIONERS

AT THE ANNUAL STAKEHOLDERS GALA DINNER

XWAMA CULTURAL VILLAGE, WINDHOEK

04 DECEMBER 2014

- **Master of Ceremonies**
- **Minister of Trade and Industry, Honourable Calle Schlettwein**
- **Fellow Commissioners**
- **Mr Mihe Gaomab, Chief Executive Officer to the Commission**
- **Commissioner of the Competition Commission of South Africa, Mr Tembinkosi Bonakele**
- **Former Interim Chairperson of the NaCC, Mr Douglas Reissner**
- **Distinguished Guests**
- **Staff Members of the Commission**
- **Members of the Media**

A very good evening to you all,

It is my distinct honour and privilege to welcome you all to the third Annual Stakeholders Gala Dinner of the Namibian Competition Commission. This event also marks the fifth anniversary of the Commission, according us the opportunity to reminiscence the early years of the establishment of this very important agency.

The Commission is the principal institution for promoting and safeguarding fair competition in the country by enhancing the efficiency, adaptability and development of its economy. Thus, it is tasked with providing competitive prices and product choices to consumers; promoting employment; expanding opportunities for Namibia's participation in world markets while recognising the role of foreign competition within the country; ensuring small undertakings have equitable opportunities to participate in the economy; and promoting greater spread of ownership, with particular reference to historically disadvantaged persons, in order to advance the economic welfare of the Namibian people.

Established in terms of the Competition Act No. 2 of 2003, the Commission has reached several milestones in its near formative years of existence. The Act, a unique product of Namibia's economic, social and political history, became operational on 03 March 2008. It empowers the Commission to oversee competition issues from a broad scope across the Namibian economy, with regulatory supervision of over 80,000 business entities ranging from small to large companies.

During the formative months of the operations of the Commission, there was a realisation that implementing a competition law is quite a daunting task, but it certainly was not impossible. The field was also new with the management and coordination of both the economic and legal discipline and some provisions were time bound and specific for case management and execution.

There was a strong political will on the part of the Government to effect and realise the administration and implementation of the competition law. Namibia has a stable macro-economy and an orderly business market which respects the rule of law and enforcement of contracts.

The Commission predictably faced a number of challenges and hurdles in its first few years such as a rigorous analysis of mergers because it functions within tight statutory deadlines.

The Commission was guided by four strategic objectives since its establishment from 2009/2010 to 2013/2014. During September 2011, the initial Strategic Plan of the Commission guides its operations and execution and it was premised on the following four key strategic objectives:

- Operationalising compliance
- Research and development
- Stakeholder partnership management
- Developing capacity and organisational capability

I am proud to announce that, during the formative years, the Commission intervened in no less than 20 different sectors, mainly with respect to financial services and mining and exploration. The Commission completed over 300 mergers and acquisitions since its inception and over 30 case investigations on restrictive business practices.

The notable achievement during the implementation phase is the Supreme Court judgement where the Commission set a landmark precedent of winning the Massmart–Walmart merger court challenge in 2011/12.

It is generally acknowledged that the Commission has not gone far with addressing the anti-competitive practices during its institutional and strategic implementation phase. But for next strategic horizon on enforcement, commendable efforts are being made in the area of restrictive business practices.

The year 2013 saw the end of the tenure of Mr Lucius Murorua, the second Chairperson of the Board of Commissioners, in which capacity he served from 1 February 2010 to 31 January 2013. During this period, an effective and independent competition regulator was built.

The success of any company depends largely on the appropriateness of its strategy and the annual performance business plan, as well as its implementation. The Commission therefore focused its resources on full staffing and immediate operational needs. The timeline of the initial strategy also came to an end in March 2014 and a new corporate

strategic plan, which contains the annual performance plan for 2014/15 was developed and approved by the Board on 10 April 2014.

In order to remain relevant and effective in the enforcement of the competition law, the Commission has undertaken to review its Act. The review of the law and the expected changes will provide significant opportunities for the Commission to strengthen its powers and functions as the Ministry of Trade and Industry seeks to enhance the prevailing competition policy regime.

The Commission is also in its early stages of developing a national competition policy to ensure that there is a framework in place to assist in identifying the competition prone sectors and to elucidate on anti-competitive practices that would have relevance on enforcement of competition law. There are also measures aimed at changing the structure of the economy and developing economic capabilities that would include protection for infant industries and the implementation of a range of incentive schemes.

Measures such as infant industry protection should be implemented in a manner which does not undermine competition and the development of a culture of competition in the Namibian economy.

The scope of the Commission's competition regulatory activities, are likely to expand significantly as advocacy interventions are developed and implemented and the enforcement activities increase. In absolute terms, the case load of the Commission has increased by more than a third calculated on compounded annual growth rate.

There is no doubt that since its inception the institutional growth of the Commission is in a right direction and needs to maintain momentum to sustain its operations and perform beyond expectations.

I am happy to report that a combination of commitment by Government, particularly the Ministry of Trade and Industry, and the solid work ethics of Commission management and staff, spearheaded by the vision and mission of the Secretary to the Commission and Chief Executive Officer, under the leadership of the Board of Commissioners, ensured that we not only crossed our Rubicon, but also established the Commission as an institutional force to be reckoned with on the Namibian economic landscape.

I would like to take this opportunity to thank our previous Chairpersons, stakeholders, Commissioners and staff of the Secretariat for their dedication. It is this spirit of cooperation, combined with strong principles and hard work, which is certain to flesh out the role of the Commission as its safeguards and promotes competition in the Namibian economy in the future.

I wish you all a wonderful festive season!

I thank you.