



Namibian
Competition
Commission



**Ensuring Compliance with
Competition Law for Effective Business**



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About Us



About Us

MISSION

To safeguard and promote competition in the Namibian market

VISION

Fair market competition

VALUES

National economic interests come first

Our priority and commitment is to put national economic interests towards attainment of Vision 2030 ahead of any other considerations.

At any given moment the interplay of various interests has an influence over the processes and decisions of the Commission. It is important, therefore, to ensure that the decisions taken by the Commission in regulating competition are in line with the interests expressed in Vision 2030. It is particularly important to ensure that personal interests do not have any influence on the Commission's decision-making. This is especially relevant in view of the risk of regulatory capture and the potential for forum shopping.

Impartiality

We shall be fair and equitable in living our purpose and shall uphold principles of impartiality and confidentiality regardless of the circumstances.

For the Commission to uphold the principles of impartiality, regardless of circumstances, entails that the decisions it makes are characterised by an absence of bias, whether perceived or real. The Commission's impartiality reflects its independence in its actions and in the execution of its mandate.

Consistency

We are consistent in our approach in every instance, regardless of the circumstances and pressure that may be brought to bear.

Consistency should be evident in the way the Commission applies the law in its decision-making, unless there is a need for deviation based on changing circumstances.

Accountability for our role

We accept our responsibilities and are accountable for all our decisions and actions. We uphold and respect decisions taken by the Commission, whether an individual was party to an agreement or not.

The Commission takes ownership of all its actions and decisions. This means that the Commission and all its Divisions assume collective responsibility for its decisions. It further assumes that the Commission can be expected to account for the procedures and decisions it takes in a transparent manner.

Integrity

We act with integrity in matters of substance and procedure insofar as executing the mandate of the Commission is concerned.

The Commission and its staff adhere to the expected standards of behaviour set out in its Code of Conduct in relation to its stakeholders and among members of staff. The Commission acts with honesty and trustworthiness at all times.

Foreword by Minister



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The Commission plays an integral role in encouraging and strengthening the culture of competition in Namibia.

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The firm establishment of the Namibian Competition Commission as a vital pillar in Namibia's regulatory landscape, signifies the dawn of a new age for the country as a great place for doing business and a competitive investment destination.

Since its establishment, amongst the achievements of the Commission is the increase in the number of cases handled along with continuous advocacy efforts. The Commission has made significant strides considering the Competition Act (Act No. 2 of 2003) had only begun to be enforced in 2009.

The Commission was established to administer the Competition Act, and thus to ensure compliance with the law. The Commission plays an integral role in encouraging and strengthening the culture of competition in Namibia.

Through competition, it is envisioned that Namibian companies will improve their efficiencies and embrace innovations, thereby, keeping abreast with consumer needs. This, in turn, will promote healthier

markets and provide further impetus for economic growth, while ensuring the economy remains responsive and competitive in the global market.

The Commission's activities throughout the year should therefore signal to businesses that the Commission will not hesitate to take swift action against infringing businesses.

Competition law, an important strand of competition policy, allows for action against anti-competitive practices such as cartels and the misuse of market power, which are some of the causes of market failure.

As the Ministry of Industrialization, Trade and SME Development, our mandate is to promote growth and development of the economy through the formulation and implementation of appropriate policies to attract investment, increase trade and develop and expand the country's industrial base. In pursuance of this mandate, we go all out to facilitate an enabling environment by putting in place frameworks such as the Competition Act, and going even further by providing technical and financial support through various agencies.

The law needs to be dynamic to meet the emerging needs of businesses on a continuous basis, as well as realise national development goals. It also needs to factor in the concerns and challenges of the business community. It has to necessarily facilitate ease of doing business in the country. The combination of enterprises is one of the key means for businesses to amplify their capacity to serve the market with higher efficiency. The development of the National Competition Policy and amendment of the Competition law, which is currently underway, is vital as it aligns the objectives of the competition regulations to attaining the national objectives as outlined in the National Development Plans (NDPs) and the Harambee Prosperity Plan (HPP).

My heartfelt thanks to the Commission's ceaseless efforts to advocate for and build awareness on relevant national policies. Competition has become an increasingly familiar topic in Namibia. The Commission has also taken steps to assist businesses in assuming greater responsibilities over compliance, producing conducive and effective materials which help identify potentially troublesome business areas and mitigate the risk of contravention.

However, the responsibility to bring about a healthier

and competitive business environment cannot rest with the Commission alone. Each and every citizen of the country has a responsibility. The investigation and prosecution of cartel activities depend essentially on parties involved or associated with cartel members.

Overall, the Commission since establishment has demonstrated a strong momentum in the advocacy

and enforcement of the Competition law. On behalf of the Government and the Commission, allow me to reiterate that there is no longer room for anti-competitive practices in the country, and that the adoption of more innovative and efficient business activities can only result in a freer and fairer market for Namibians. I believe that the Commission's mission will continue to be a success in the years to come.



Honourable Immanuel Ngatjizeko, MP
Minister of Industrialisation, Trade and SME Development

“The law needs to be dynamic to meet the emerging needs of businesses on a continuous basis, as well as realise national development goals.”

Chairperson's Remarks



“....the Commission aims to understand the challenges faced by businesses in their compliance efforts, and to develop strategies to support businesses in enhancing compliance.

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As Chairperson of the Board of Commissioners of the Namibian Competition Commission, it gives me great pleasure to present the annual report for the 2014-2015 financial year. Our theme for the year under review was Compliance with Competition Law for Effective Business.

Our competition laws are in place to ensure that Namibian consumers benefit from competitive prices and wide product choices. It also promotes increased innovation, a competitive economy and a level playing field between small and large players. Consumers benefit when businesses attempt to win market share by offering better value than their rivals.

In brief, our competition law can be divided into three categories, the first is contained in Chapter 3 under Part I of the Competition Act no.2 of 2003 (“the Act”), which seeks to control the behaviour of businesses in as far as it restricts and distorts competition in the Namibian economy. The second and closely related category speaks to businesses

that have dominant market positions and are in a position to distort competition owing to their size and their ability to act independently from their suppliers, competitors, customers and ultimately, consumers, as provided for in Chapter 3, Part II of the Act. The third category relates to mergers and acquisitions, as contained in Chapter 4 of the Act, and seeks to ensure that proposed mergers and acquisitions do not lessen competition in the Namibian economy by creating anticompetitive market structures.

In addition, the Commission is mandated to conduct research into markets and sectors of the Namibian economy. This is done in order to get a firm understanding of the dynamics of those markets and enable effective enforcement or policy intervention where required. For the year under review, the Commission undertook research in the retail sector, as well as completing recent studies in the cement and poultry industry as part of the Research Programme on Competition Dynamics and Regional Trade Flows, conducted under the African Competition Forum.

The Commission, as the custodian of the Act, has the mandate to guard against restrictive business practices and ensure compliance with the mergers and acquisition provisions. The Commission takes this responsibility very seriously and has not hesitated to intervene where it felt the interests of both consumers and the economy at large were at risk.

While the Commission has several instruments at its disposal to ensure compliance, including hefty fines of up to 10% of annual turnover, we prefer first and foremost to conduct a constructive dialogue with stakeholders and inform them of the need to comply with competition legislation. Compliance will shield them from reputational damage and will benefit economic growth and prosperity.

Through interactive discussions, such as those conducted during our annual Competition Week, the Commission aims to understand the challenges faced by businesses in their compliance efforts, and to develop strategies to support businesses in enhancing compliance.

We actively engage with businesses in all sectors in order to establish a culture and an attitude of compliance.

In addition, the Commission is currently in the last stages of finalising the National Competition Policy, a governmental policy aimed to promote and enhance competition in the market.

The Competition Policy includes governmental measures that directly affect the behaviour of enterprises and the structure of industries and markets. The Policy will provide an overarching framework to fit the national objectives and strike a balance with other complimentary policies and strategies to enhance competitiveness in the economy. In the same vein, the Commission is revising the Act, and harmonizing it with the policy to ensure consistency and capture the national objectives.

On behalf of the Board of Commissioners I would like to take this opportunity to thank the CEO and

Secretary and the entire staff of the Commission for their hard work and commitment over the past year in actively engaging, particularly, the private sector on competition law. In the same vein, I wish to voice our appreciation for the excellent working relationship with our line Minister and his staff in the Ministry of Industrialisation, Trade and SME Development.

To my colleagues, the commissioners, I register appreciation for your hard work, support and encouragement.



Dr Sakeus Akweenda
Chairperson Board of Commissioners

“...the Commission is currently in the last stages of finalising the National Competition Policy, a governmental policy aimed to promote and enhance competition in the market.”

CEO's Overview



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This year's event, titled “Competition Law, Policy and SMEs”, was aimed at highlighting the importance of competition law to SMEs

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The year 2014/2015 was a productive year for the Namibian Competition Commission. Operational since 2009, the Commission has grown into a professional organisation with over 30 staff members.

The Commission is in a financially healthy state. Its financial prudence will ensure that the financial support provided by the Ministry of Industrialisation, Trade and SME Development will continue to be utilised to execute its mandate as per the Competition Act and to implement the programmes set out in its strategic plan.

During the year under review the Commission paid special attention to compliance as a tool for effective business. In particular, the Commission hosted its annual Competition Week. The Competition Week is an advocacy event, geared at sensitizing the public and stakeholders on the importance of compliance

with competition law and also serves as a platform to increase the Commission's visibility in the public sphere. This year's event, titled “Competition Law, Policy and SMEs”, was aimed at highlighting the importance of competition law to SMEs.

Since the inception of the Commission up to the period of reporting, the Commission handled close to 300 merger and acquisition cases. The sectors involved were primarily real estate, retail, mining and transport. The impressive number of cases submitted to and handled by the Commission is testament to a growing economy and a dynamic Namibian business sector. In the area of enforcement, the Commission received about 41 complaints, 18 requests for advisory opinions and 2 exemption applications since 2009.

On the legislative front we made headway with the review process of the Competition Act. We reached an advanced stage, with a Draft Competition Bill in place which will be submitted to the Minister of Industrialisation, Trade and SME Development for review and comments.

Meanwhile the existing Competition Act was peer reviewed by the United Nations Conference on Trade and Investment (UNCTAD) in July 2014 and a dissemination workshop on the UNCTAD peer review findings and recommendations was held in February 2015 in Windhoek.

In a similar effort we finalised the draft National Competition Policy which was submitted to the Minister in 2014 for review and comments.

As part of its research programme the Commission is considering the development of a microeconomic database which will serve as a market intelligence tool, and facilitate the gathering and analyzing of competition related data to assist the effective enforcement of Competition law.

To ensure effective cooperation with sector regulators, the Commission has signed a MOU with the Financial Supervisory Authority of Namibia. In addition, the Commission has been negotiating a MOU with the South African Competition Commission. The Commission has also been cooperating at a regional level through the African

Competition Forum. These efforts were focused mainly in the areas of research and capacity building. I wish to thank the Board of Commissioners for their commitment and guidance during the period of review. The Commission is also thankful to the Ministry of Industrialization, Trade and SME Development for its

unwavering support in the fulfilment of our mandate. Finally, I would like to voice my deepest appreciation for the team at the Commission, through whose hard work we are able to build a more competitive Namibia.



Mihe Gaomab II
Chief Executive Officer

“ On the legislative front we made headway with the review process of the Competition Act. ”

Board Structure

Mr. Gideon Shilongo
Member

Mr Nghidinua Daniel
Member

Ms. Malverene Theron
Member

Mr. Mihe Gaomab II
CEO

Ms. Teresia Kaulihowa
Member

Dr. Sakeus Akweenda
Board Chairperson



The Board

CORPORATE GOVERNANCE

Corporate governance regulates the exercise of power within an organisation to ensure that the purpose of that organisation is achieved.

The Commission is governed by a Board of Commissioners who are tasked with directing and controlling the Commission. The Board engages with management regarding organisational performance and effectiveness, as well as the execution of Board directives in order to ensure that the Commission's strategic objectives are attained.

The Board, supported by Board Committees, takes ultimate responsibility for the Commission's adherence to corporate governance principles and ensures that all decisions are made with reasonable care, skill and diligence.

COMPOSITION OF THE BOARD

The Board is made up of five (5) Commissioners who are appointed in terms of section 5 of the Competition Act, 2003 (Act No. 2 of 2003), and have a blend of expertise in the fields of commerce, economics, law, accountancy, financial management and public administration. The Chief Executive Officer of the Commission serves as an *ex officio* member of the Board.

BOARD MEETINGS

Table 1: Board meetings held during the period under review

Name	Appointment date	Term ending	Designation	Meeting dates			
				10 Apr 2014	3 Jul 2014	27 Nov 2014	19 Feb 2015
Festus Hangula	19 Dec 2008	14 Dec 2014	Chairperson	√	√	√	N/A
Nelago Kasuto	19 Dec 2008	14 Dec 2014	Member	√	√	√	N/A
Omu Kakujaha-Matundu	19 Dec 2008	14 Dec 2014	Member	√	√	√	N/A
Nghidinua Daniel	11 Mar 2010	16 Feb 2016	Member	x	x	√	√
Malverene Theron	17 Sept 2013	16 Sept 2016	Member	√	√	√	x
Sakeus Akweenda	11 Feb 2015	10 Feb 2018	Chairperson	N/A	N/A	N/A	√
Teresia Kaulihowa	11 Feb 2015	10 Feb 2018	Member	N/A	N/A	N/A	√
Gideon Shilongo	11 Feb 2015	10 Feb 2018	Member	N/A	N/A	N/A	√

Table 2: Board remuneration for the period under review

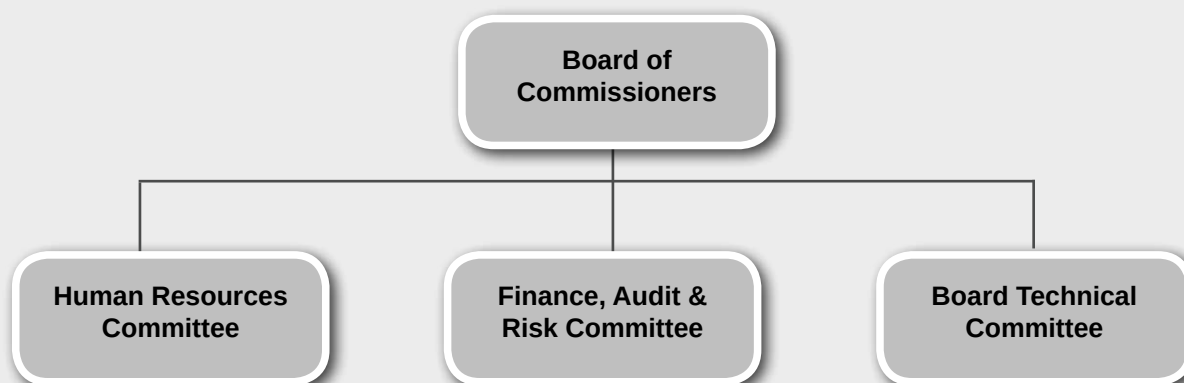
Name	Designation	Meeting dates & fees				
		10 Apr 2014	3 Jul 2014	27 Nov 2014	19 Feb 2015	Retainer
Festus Angula	Chairperson	N\$ 7,297	N\$ 7,297	N\$ 7,297	N/A	N\$ 38,843
Nelago Kasuto	Member	N\$ 4,602	N\$ 4,602	N\$ 4,602	N/A	N\$ 31,731
Omu Kakujaha-Matundu	Member	N\$ 4,602	N\$ 4,602	N\$ 4,602	N/A	N\$ 31,731
Nghidinua Daniel	Member	N/A	N/A	N/A	N/A	N/A
Malverene Theron	Member	N\$ 4,602	N\$ 4,602	N\$ 4,602	x	N\$ 42,306
Sakeus Akweenda	Chairperson	N/A	N/A	N/A	N\$7,297	N\$ 12,948
Teresia Kaulihowa	Member	N/A	N/A	N/A	N\$ 4,602	N\$ 10,577
Gideon Shilongo	Member	N/A	N/A	N/A	N\$ 4,602	N\$ 10,577

BOARD COMMITTEES

The Board has delegated certain responsibilities to the Board Committees, which responsibilities are contained in their respective charters. The Committees report to the Board.

The diagram below shows the different Board Committees established in terms of section 12 of the Competition Act.

Organogram of decision making structures



Board Committees

HUMAN RESOURCES COMMITTEE (HRC)

The HRC considers and recommends matters relating to the Commission's human resources to the Board for approval. The HRC oversees, guides and gives direction on HR policies, remuneration, performance management, recruitment, and considers any other matters delegated to it by the Board.

FINANCE, AUDIT AND RISK COMMITTEE (FARC)

The FARC is responsible for ensuring that the Commission manages its finances in a prudent manner and that there is an adequate and effective system of internal controls. The FARC also has oversight of the management of risks at the Commission.

BOARD TECHNICAL COMMITTEE (BTC)

The BTC adjudicates on and recommends technical cases emanating from the Restrictive Business Practices Division, and Mergers and Acquisitions Division, as well as market studies emanating from the Economics and Sector Research Division, to the Board for approval.

Other Committees

EXECUTIVE COMMITTEE (EXCO)

The EXCO is chaired by the Chief Executive Officer and is comprised of divisional heads, the Corporate Secretary/Legal Advisor and the Technical Advisor to the CEO.

The EXCO oversees the day to day operations of the Commission and meets regularly to discuss strategic matters affecting the Commission.

INTERNAL TECHNICAL COMMITTEE (ITC)

The ITC was established to assist the Office of the Chief Executive Officer in fulfilling its function of making appropriate recommendations to the BTC and eventually the Board. The ITC is headed by the technical directors on a rotational basis.

The ITC evaluates and interrogates the Commission's technical work emanating from the Mergers & Acquisitions, Restrictive Business Practices and the Economics & Sector Research divisions and thereafter advises the Chief Executive Officer.

Executive Committee (ExCo)

Mr. Gideon //Garoeb
Director Corporate
Service

Mr. Vitalis Ndalikokule
Director Mergers and
Acquisitions

Ms. Ashley Tjipitua
Corporate Secretary and
Legal Advisor

Mr. Mihe Gaomab II
CEO

Ms. Bridget Dundee
Technical Advisor Office
of the CEO



Dr. Michael Humavindu
Director: Economic &
Sector Research

Ms. Vivienne Katjuongua
Director: Restrictive
Business Practices

Office of the CEO and Secretary to the Commission

In terms of section 13 of the Competition Act, the Commission must appoint a Secretary to the Commission who is responsible for the formation and development of an efficient administration and the organisation, control, management and discipline of the staff of the Commission.

During the year under review, the Office of the CEO was comprised of the CEO/Secretary to the Commission, a Technical Advisor and a Corporate Secretary/Legal Advisor.



Mr. Mihe Gaomab II, CEO

Ms. Ashley Tjipitua, Corporate Secretary and Legal Advisor

Ms. Bridget Dundee, Technical Advisor: Office of the CEO

Strategic Plan 2014/15 – 2018/19



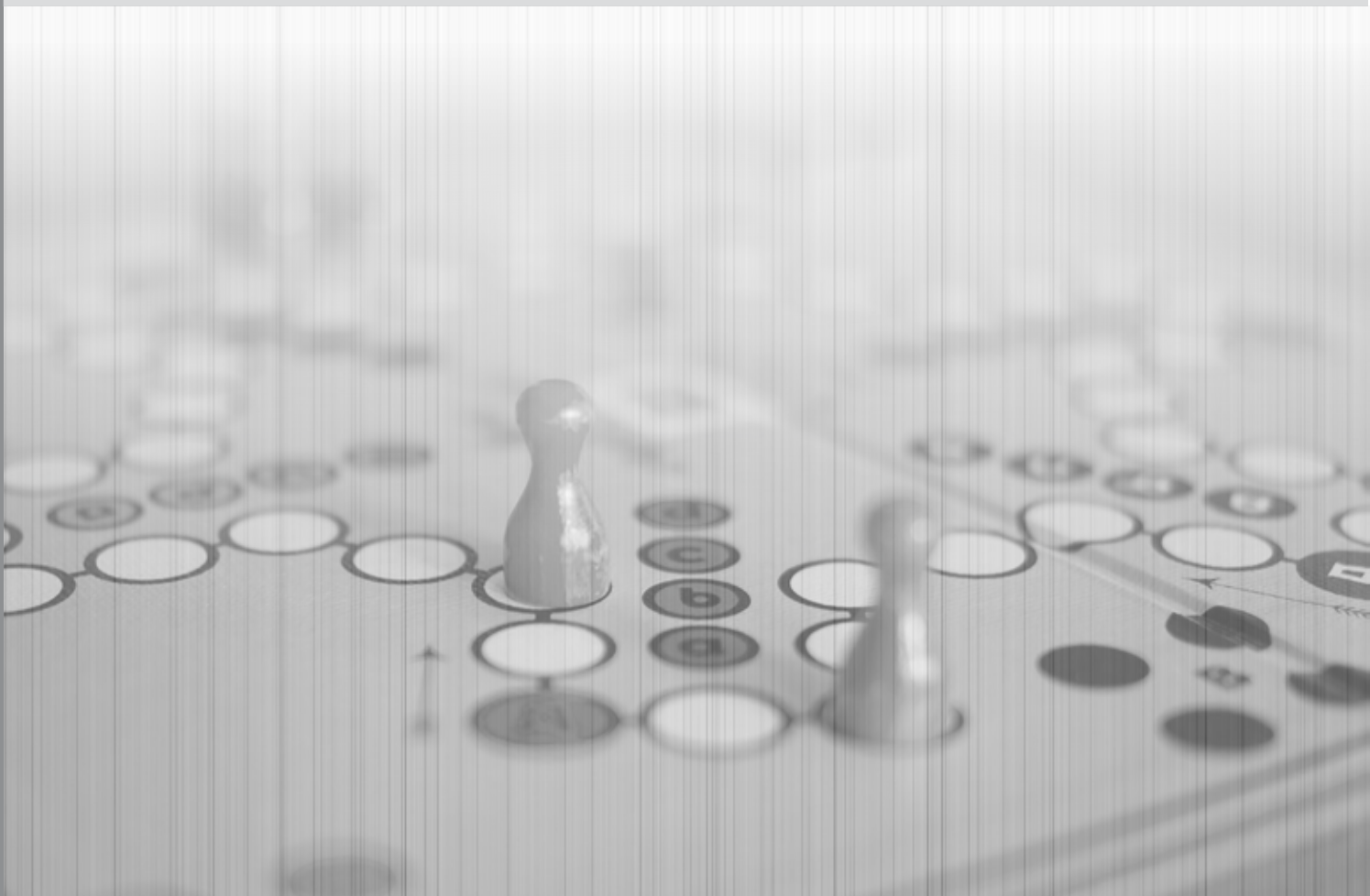
Strategic Plan 2014/15 – 2018/19

The Commission has a five (5) year strategic plan which sets out the Commission's priorities for the period. These priorities have been arrived at after a thorough analysis of the changing conditions in which the Commission operates and drawing on the lessons learnt over the last five years of its existence. Accordingly, the following strategic goals have been formulated to direct the efforts and resources of the Commission towards enforcing the Competition Act and promoting compliance thereto:

- To ensure effective enforcement of the Competition Act as a contribution to creating competitive markets in line with Vision 2030;
- To expand the scope of competition regulation and strengthen the quality thereof;
- To enhance competition advocacy towards the fulfillment of sound competition principles and practices;

- To conduct action oriented research on competition in support of evidence-based competition regulation and policy; and
- To develop the Commission as a centre of operational excellence in competition regulation.

Over the next five years, the Commission will pursue the following strategic goals to achieve the stated outcomes listed below:



Strategic Goals	Outcomes	Indicators	Targets
To ensure effective enforcement of the Competition Act as a contribution to creating competitive markets in line with Vision 2030	Increased compliance with the provisions of the Competition Act	Percentage of compulsory compliance interventions through exemption conditions (s27), merger conditions (s47[7]), settlements (s40) and court orders (s38) implemented	100%
		Percentage of Section 51 application decisions in favour of the NACC	70%
		Percentage of merger determinations made to prevent substantial lessening of competition in sectors and markets	100%
		Percentage of Section 38 application decisions in favour of the NACC	70%
To expand the scope of competition regulation and strengthen the quality thereof	Competition policy developed and submitted to MITSD	Competition policy submitted to MITSD	1
	Draft Competition Bill submitted to MITSD	Draft Competition Bill submitted to MITSD	1
To enhance competition advocacy towards the fulfillment of sound competition principles and practices	Culture of compliance to the Competition Act established	Number of voluntary compliance programmes implemented	5
To conduct action oriented research on competition in support of evidence-based competition regulation and policy	Established a knowledge-base on competition in the Namibian economy	Position papers produced with policy recommendations	10
		Impact assessment reports produced	2
		Economic discussion papers produced	10
		Market studies conducted	3
To develop the Commission as a centre of operational excellence in competition regulation	Established the Commission as a centre of operational excellence in competition regulation	Internship and development programme implemented	Fully Implemented
		Employee job satisfaction	90%
		Quality Management System (QMS) implemented and maintained	QMS Certification

NaCC Strategic Risk Register 2015

	Strategic Objectives	Risk Heading	No.	Risk Description	
	To ensure effective enforcement of the Competition Act as a contribution to creating competitive markets in line with Vision 2030.	Lack of expertise	1	The Namibian market does not have the necessary skilled people in competition law. This places a limitation on how the NaCC achieves its objectives. Furthermore the training budget was reduced from 49% to 35%. This may result in staff not being trained appropriately further increasing the skills gap.	
		Limitations with regards to the enforcement of the Competition Act	2	The Act in its current form limits the Commission's ability to fulfil its required mandate and thereafter ultimately achieve its strategic objectives	
		Non-adherence to the Competition Act, 2003 (Act No. 2 of 2003) and the State Owned Enterprise Governance Act, 2006 (Act No. 2 of 2006).	3	The law requires every state owned enterprise to submit audited financial statements six months after year end. The NaCC's audit readiness and external audit are being delayed by the Auditor-General (AG) due to lack of capacity the AG's office. This will result in Non-compliance with the NaCC Act and the legislative requirement for SOEs.	
	To expand the scope of competition regulation and strengthen the quality thereof.	Legal risk in the event of court cases.	4	Due to the nature of the business, there are legal risks involved e.g. litigation costs, when a party takes NaCC to court. The NaCC has to research when there is a court case, money and time is lost in the process.	
		Employees may be involved in fraud/dishonesty.	5	The NaCC deals with business and due to the nature of its operations, business may not want to adhere to the rules and regulations as per the Competition's Act if these regulations are negatively affecting their operations. Bribes may therefore be offered to NaCC employees in order for them to look the other way when reviewing unfair business practices.	
		Unauthorised disclosure of confidential Information (Operational).	6	There is a risk that NaCC may accidentally or maliciously disclose confidential information of their clients competitors in the execution of its mandate. If a business picks up information of its competitors through the NaCC, this has a negative impact on the NaCC as businesses start to question NaCC's credibility and this hinders the achievement of NaCC's objectives in totality.	
	To enhance competition advocacy towards the fulfilment of sound competition principles and practices	Stakeholders may not understand the NaCC's mandate, this may result in them having negative perception regarding the NaCC's existence.	7	The NaCC's mission is to safeguard and promote competition in the Namibian market. Stakeholders may believe that the NaCC's is there to merely reduce the price of goods and services. The misunderstanding of the organisation's mandate may result in wrong expectations from stakeholders. There is therefore a reputational risk that the NaCC may be seen to be not doing its job and yet this is not part of its mandate.	
	To conduct action oriented research on competition in support of evidence-based competition regulation and policy.	Inadequate budget allocation from the Line Ministry.	8	According to the Ministry of Trade and Industry, the budget allocated to the NaCC is based on the fact that the NaCC is not an income generating entity. The current budget allocation is insufficient for the accomplishment of the NaCC's strategic objectives.	
	To develop the Commission as a centre of operational excellence in competition regulation.	Loss of institutional knowledge and memory.	9	Due to high staff turnover and a lack of knowledge management policies and procedures there is a risk of loss of institutional knowledge and memory.	
		Ineffective IT Governance processes	10	The NaCC uses consultants who are outsourced for its Information Technology services. The consultants are however not always available in times of need. This causes delays and may result in NaCC being sued if answers are not given to Law firms on time. In addition, there is no IT disaster recovery plan and business continuity plan in place. There is a record registry in place (manual), storage place is not sufficient, this function has been outsourced. There is a risk that when outsourcing, confidentiality may be compromised in the process.	
		Loss of key employees.	11	Due to a low budget allocation to the NaCC, employees are remunerated salaries below market value. As a result, staff with the necessary skills leave the organisation and the NaCC has to recruit new people who will need to be trained.	
		Conflict of the competition act with other regulating bodies' acts	12	Several sectors have regulating bodies e.g. banking sector- regulated by the Bank of Namibia, Communication sector- Communication regulatory authority of Namibia, With the regulating bodies in place, there is a risk that the NaCC may not carry out its mandate as the regulated sectors have their own regulations to be followed for their respective industries. There may be a conflict of which regulations to follow, the Competition Act or regulators act.	

Risk rating = Impact x Likelihood		Risk Magnitude	Description			
17-25		Extreme Risk	The exposure identified has a potential to have a major impact on the entity's performance and/or business reputation and is fundamental to the achievement of the organisation's objectives. It requires resolution at the earliest opportunity.			
11-16		High Risk	The exposure identified has a potential to have a high impact on the entity's performance and requires urgent resolution.			
6-10		Moderate Risk	The exposure identified has a potential to have a moderate impact on the entity's performance and requires resolution.			
1-5		Low Risk	The exposure identified may have a minor impact on the entity's performance and should be resolved in the normal course of business.			

	Likelihood Score (L)	Impact (I)	Inherent Risk Scoring (IxL)	Current Control	Future Control	Action Owner
	5	4	20	1) The NaCC currently has an internship programme in place. 2) Secondment of staff also being undertaken in other countries with mature competition regulatory bodies.	1) Bring in secondments from other countries to work at the NaCC and train the NaCC employees at the same time. 2) On the job training. 3) Training plans for individuals to ensure skills gap is covered. 4) Retired experts to be brought in and serve as secondments.	Human Resources
	4	4	16	1) Proposed amendments to the Act have been drafted for presentation to the Minister		Internal Review Committee, Company Secretary
	4	3	12		1) Deloitte is being consulted to assist the NaCC with audit readiness.	Finance
	4	4	16		1) Put in place a structure that accommodates staff that will focus on litigation issues. 2) Contingency fund to be put in place to cater for legal costs. 3) Appeal as per the Draft Bill (Alternative Dispute Resolutions).	Office of the CEO, Human Resources, The Board
	3	4	12	1) During the induction processes, employees are trained on how to deal with bribery attempts. 2) There is a Code of Ethics in place to guide employees.	1) The development of a fraud prevention plan which includes whistleblowing policy and thereafter the implementation of the plan. 2) Duties within the organisation should be segregated, such that one employee is not involved in conflicting roles.	Company Secretary
	2	4	8	1) The Code of Ethics requires all employees to adhere to the organisation's confidentiality requirements. All employees pledged to adhere to the Code of Ethics. 2) During the induction process, employee are trained on the importance of not disclosing confidential information. 3) Before information is disclosed to the public, there is an extensive internal review process. 4) The disciplinary policy states the actions to be taken against unauthorised disclosure of confidential information.	1) Refresher courses on confidentiality for staff. 2) Systems to be implemented that guide staff on confidentiality requirements through the Communications Policy. 3) Information security policy should be drafted and implemented	Executive Management and Human Resources
	4	3	12	1) Newsletters are circulated quarterly.	1) Provide more detailed accounts of why the NaCC has taken certain decisions to be given to the public through press releases. 2) A stakeholder engagement plan will be developed and implemented upon the Board's approval. 3) A proposed organisational structure is drafted to be approved by the board. The structure will clarify the strategy around advocacy.	Office of the CEO
	4	5	20	1) Implemented strict expenditure monitoring measures to ensure that it is in line with the approved budget	1) The NaCC to take part in budget conversations with the ministry and clearly communicate the organisation's objectives and the funds needed to meet such objectives. 2) Effective planning and surplus re-allocation.	CEO
	4	4	16		1) Knowledge management policies and procedures to be drafted and implemented. 2) A knowledge management system will be acquired. All the key information and procedures will then be saved on the system.	Executive Management
	4	4	16	1) An outsourced IT service provider currently assists the Commission with its IT operational requirements.	1) A permanent IT employee to be appointed who will be available for technical support during the day. 2) A Business Continuity Plan to be drafted and implemented and on the whole an IT Governance framework will be drafted, approved by the Board and implemented.	Corporate Services, Human Resources and Office of the CEO
	3	4	12	1) Bonding of staff who have training paid for them by the Commission.	1) Salary benchmarking exercise to be used to align remuneration for staff in line with market values. 2) Retention policy being drafted to ensure initiatives and plans are in place to retain staff. 3) Succession plans to be drafted and implemented. 4) Consult HR to get an overview of the cause of resignations.	Human Resources
	3	2	6	1) Currently have memorandum of understanding in place with other regulatory bodies to assist each other when required to do so.	1) The NaCC will combine its efforts with other regulating bodies to harmonise conflicting regulations as far as possible. 2) A contingency fund to be put in place to cater for legal costs in case a dispute arises.	Office of the CEO

Mergers and Acquisitions





Ms. Melissa Hanmer
Senior Law Officer



Mr. Vitalis Ndalikokule
Director Mergers and Acquisitions



Ms. Jowetha Andima
Senior Economist



Mr. Justin Muyendekwa
Economist



Mr. Katando Kanguuehi
Economist



Ms. Latunga Haiping
Law Officer



Ms. Gloria Situmbeko
Law Officer



Ms. Marelize Bock
Administrative Assistant

Mergers and Acquisitions

INTRODUCTION

The main function of the Commission's Mergers and Acquisitions division is the enforcement of the provisions of Chapter 4 of the Act. The division investigates and assesses whether a merger is likely to raise any competition or public interest concerns and submits an investigation report and its recommendation to the Board of Commissioners. The division further provides advisory opinions, monitors compliance with conditions imposed on mergers, and investigates contraventions of Chapter 4.

In its assessment the Commission considers whether a merger is likely to substantially prevent or lessen competition; result in any party acquiring or strengthening a dominant position in a market; and whether a merger can or cannot be justified on public interest grounds.

According to the revised Merger Thresholds contained in Government Notice 307 of 21 December 2015, a merger is notifiable to the Commission if:

- a) any of the combined values (i.e. any combination of the assets and turnovers of the undertakings involved) is more than N\$30 million and, in addition thereto,
- b) either the assets or the turnover of the transferred undertaking is more than N\$15 million.

The Commission may however require parties to a merger that does not meet the thresholds to notify the Commission if such merger is likely to raise any competition or public interest concerns.

Section 47(1), read with section 47(6), of the Act provides that the Commission may either grant or decline approval of the merger's implementation or approve a merger with conditions aimed at addressing competition or public interest concerns that are likely to result from the proposed merger.

MERGER ACTIVITIES

In total, eighty-five (85) mergers were notified to the Commission during the 2014/2015 financial year. Of the 85 mergers notified, 75 (88%) were investigated and determined and 10 (12%) were carried over and determined during the 2015/2016 financial year. In comparison to the previous year, the number of mergers notified increased by 47%.

During the period under review the Commission investigated and determined 91 mergers. Of these a total of 75 cases were notified during the period under review and 16 were carried over from the previous financial year. The number of mergers determined in 2014/2015 (91) therefore, increased by 86% compared to those determined in 2013/2014 (49). Table 1 below depicts the total number of mergers notified and determined.

Financial Year	Notified	Determined
2014/2015	85	91
2013/2014	58	49

As illustrated in figure 1 below, out of 91 merger cases determined 3 (3%) cases were approved with conditions, 88 (97%) were approved without conditions, and none were prohibited.

Figure 1:

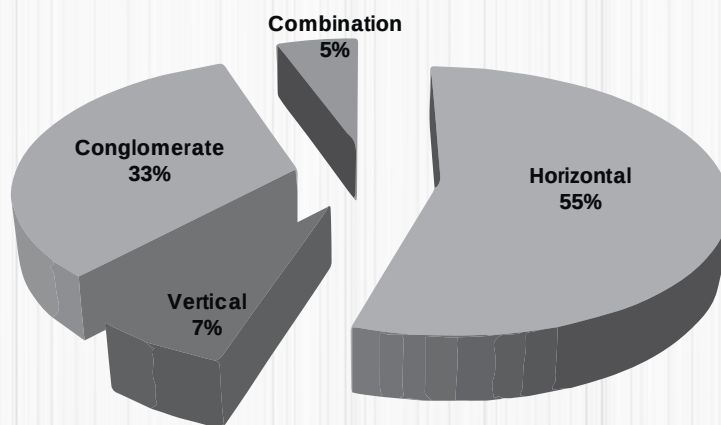


MERGERS BY TYPE

Figure 2 below shows the type of mergers that were investigated and determined by the Commission. Of the 91 mergers investigated, and determined 55%, were horizontal and 33%

conglomerate; 7% vertical; and 5% a combination of horizontal, vertical and conglomerate mergers. As in the previous financial year the majority of mergers determined were horizontal mergers.

Figure 2: Merger by Type

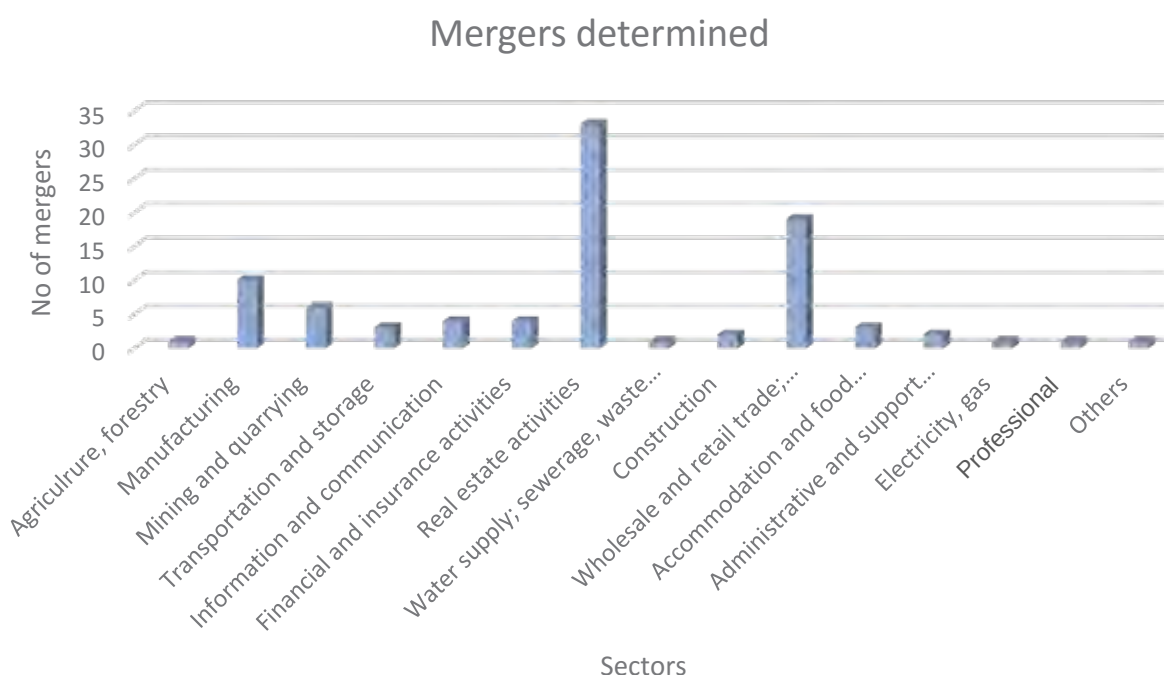


MERGERS BY SECTOR

Figure 3 below shows the various sectors of the economy under which the total number of mergers investigated and determined fell. The majority of mergers determined were in the real estate sector. The real estate sector accounted for 36% of total mergers determined, followed by wholesale and retail trade accounting for 21% and manufacturing for 11%.

Most transactions in the real estate sector entailed the transfer of commercial properties. The trend seems to have changed compared to the previous financial year where the wholesale and retail trade and manufacturing each accounted for over 23% of the total mergers determined and the real estate sector for 16%.

Figure 3: Merger determinations per sector

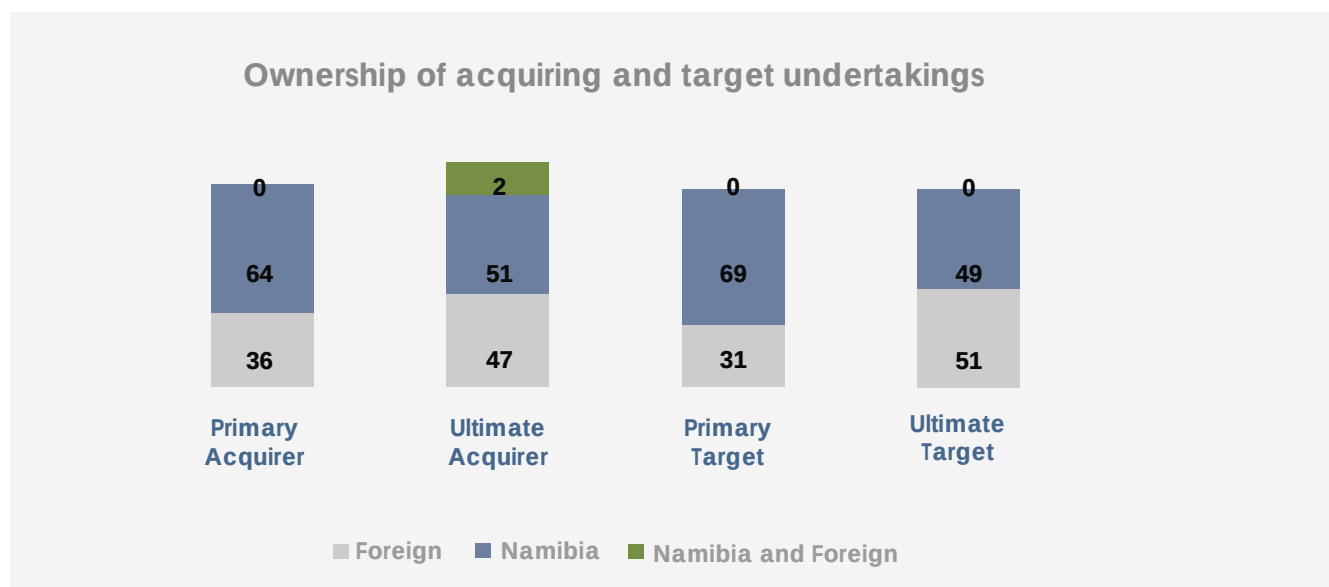


OWNERSHIP

The Competition Act applies to all economic activities within Namibia or having an effect in Namibia. Of the 91 mergers determined, 69% of the primary target undertakings were Namibian registered undertakings, but only 49% of these undertakings were owned and controlled by Namibians. Similarly, of the 64% primary acquiring

undertaking registered in Namibia, only 51% of these undertakings were owned and controlled by Namibians. Even though the majority of the primary target undertakings and primary acquiring undertakings are Namibian registered undertakings, they are not controlled by Namibians.

Figure 4: Ownership

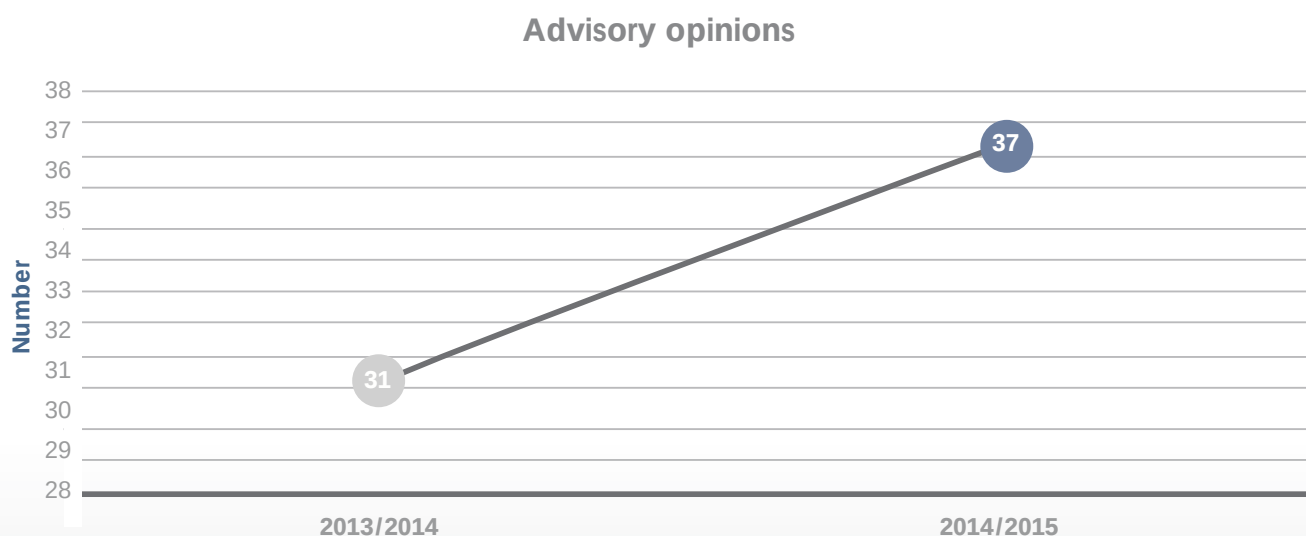


ADVISORY OPINIONS

As depicted in figure 5 below, during the period under review the division issued 37 advisory opinions. The total number of advisory opinions

issued increased by 19% from 31 issued in the preceding financial year, 2013/2014.

Figure 5: Advisory Opinions Issued



Some of the advisory opinion sought related to the following issues:

Interrelated transactions: Whether 2 transactions are interrelated and could therefore be notified as 1 merger.
Acquisition of minority shares: Whether the acquisition of minority shares in an undertaking by another undertaking is a merger.
Threshold: Whether the proposed merger met the compulsory merger notification thresholds.
Jurisdiction: Whether the Commission has jurisdiction over a transaction involving the internal restructuring of an international group of companies which own minority shares in a Namibian entity.
Internal restructuring: Whether the acquisition of direct control over a property holding companies by a Unit Trust Scheme where the ultimate owners of the property holding companies remains unchanged is a merger.
Control by an investment fund: Whether an investment fund with limited rights to participate in the operations of an undertaking can be said to control that undertaking.
Residential immovable property: Whether the sale of shares in a company whose only asset is a residential immovable property which the acquirer intends to use as his personal home is a merger.

COMPLIANCE WITH CHAPTER 4 OF THE COMPETITION ACT

In terms of section 42 (1) of the Act a merger occurs when an undertaking directly or indirectly acquires control over the whole or part of the business of another undertaking. Section 42(2) provides that a merger may be achieved in any manner, including:

- purchase or lease of shares, an interest, or assets; or
- amalgamation or other combination with the other undertaking.

If the undertakings involved meet the merger thresholds, they are expected to file a merger notification with the Commission. If a merger is implemented without the Commission's approval or contrary to conditions imposed, the Commission may make application to the High Court for:

- An interdict restraining the parties from further implementing the merger;
- An order directing any party to the merger to sell or dispose of in any manner, any shares, interest or other assets it has acquired pursuant to the merger;
- An order declaring void any agreement or provision of an agreement to which the merger was subject;

- The imposition of a pecuniary penalty of up to 10% of annual turnover.

Further, the Commission in terms of section 48(1) may revoke a decision approving the implementation of a merger if:

- The decision was based on materially incorrect or misleading information for which a party to the merger is responsible; or
- any condition attached to the approval of the merger that is material to the implementation is not complied with.

MONITORING & COMPLIANCE

The Commission is empowered to prohibit a merger that is likely to substantially prevent or lessen competition or harm the public interest. However, it may approve a merger with conditions when a specific remedy can address the competition or public interest concern(s) resulting from a proposed merger.

The remedy may either be behavioural or structural. Behavioural remedies are normally ongoing remedies aimed at regulating the behaviour or future conduct of the merged undertaking, such as ensuring that the merged undertaking allows access to key inputs

or facilities that other undertakings (competitors or customers) need to compete. Structural remedies are generally once-off remedies aimed at addressing the market structure and require some form of structural change on the part of the merged undertakings, such as selling part of their business or assets. The conditions imposed require monitoring in order to ensure that the merged entities adhere to them.

During the 2014/2015 financial year the Commission monitored the following mergers;

1. *Telecom Namibia Limited / Powercom (Pty) Ltd*
2. *Exarro Base Metals Namibia (Pty) Ltd / Wilru Investments One Hundred & Thirty Four (Pty) Ltd*
3. *Jacobus Hendrik Oosthuizen t/a OK Grocer Keetmanshoop / Model Pick n' Pay (Pty) Ltd*
4. *Guinea Fowl Investments Twenty Five(Pty) Ltd / Anglogold Ashanti Namibia (Pty)Ltd*
5. *Trustco Holdings Limited / Fides Bank Limited*
6. *Agra Limited (Safari Den) / A. Rosenthal (Pty) Ltd / Kalahari Arms and Ammunitions (Pty) Ltd (Safari Guns and Outfitters)*
7. *FP Du Toit Transport (Pty) Ltd / Westrans Holdings (Pty) Ltd*

The conditions imposed on the above mergers are all behavioural in nature and as such require monitoring throughout the set monitoring periods. For the relevant financial year, the periods ranged between 3 months to five years.

The merged entities are required to provide the Commission with compliance reports indicating their compliance. Failure to comply with conditions can lead to a merger approval being revoked in terms of section 48 (1) (b) of the Act. In order to assist the Board to decide whether or not to revoke a merger the Board is provided with evaluations of the compliance of each merger in quarterly compliance reports.

During the period under review 1 out of the 7 mergers monitored fully complied with the condition imposed upon it and the remaining 6 are still to comply. Further, the Board has not proposed the revocations of any of the mergers being monitored.

Below are summaries of two mergers that were approved subject to conditions. Both mergers were approved subject to conditions relating to employment.



Merger between Trustco Holdings Limited and Fides Bank Limited

On the 11th of July 2014, the Commission received a notification in terms of section 44 of the Competition Act, Act No. 2 of 2003, on the proposed acquisition of FIDES Bank Limited by Trustco Group Holdings Limited.

The primary acquiring undertaking was Trustco Group Holdings Limited ('Trustco'), a public company listed on the Namibian Stock Exchange (NSE) and the Johannesburg Stock Exchange (JSE), with its principal business address at 2 Keller Street, Windhoek, Namibia.

The Trustco Group consists of a number of undertakings that operate in a diverse range of business activities, which can be broadly categorised into four segments, namely: insurance, finance, education and properties. Trustco has offices in almost all major towns and cities across the country and they serve customers at a national level accordingly.

The primary target undertaking was FIDES Bank (Pty) Ltd ('FIDES'), a private company incorporated in accordance with the laws of Namibia, with its principal business as Erf 3215, Makalani Complex, Marula Street, Ongwediva, Namibia.

FIDES was the first microfinance bank created in Namibia since independence. Its model was built after a pilot project called Koshi Yomuti ELO. This project developed microfinance activities from 2002 to 2010, targeting specifically rural population seeking to develop income generation activities. This project initially started in the Namibian/Angolan border town of Oshikango situated in the Ohangwena Region.

FIDES received its provisional banking license on 4 August 2009 and its permanent license on 1 February 2010. With the transition from NGO to commercial bank, Fides opened up branches with the first Fides Bank branch being Oshakati which was opened in April 2010. The bank at the time of notifying the merger had five branches situated in Oshakati, Oshikango, Ondangwa, Ongwediva and Outapi.

FIDES was under threat of having its banking license withdrawn and the Bank placed into liquidation in the event that the proposed transaction was not approved and implemented. It was, therefore, a failing firm.

In terms of the proposed transaction, Trustco was to acquire 100% of the issued share capital in FIDES.

Taking into account that Fides was a failing firm and that it operated in a niche market as well as the fact that even though the banking sector was concentrated at the time, the Bank of Namibia had recently awarded provisional banking licences to three new entrants and the Commission determined that the merger did not raise any competition concerns. However it did raise a significant public interest concern in the form of employment losses. The merging parties had indicated that the merged undertaking would retrench all (100 permanent employees and 23 trainees of the employees currently employed by FIDES). In light of the above the merger was approved on the 25th of June 2014 with the following conditions;

1.1 That the merged undertaking retains at least 20 persons in its employ or re-employ at least 20 persons of the retrenched workforce within 3 months from the date of approval of the transaction, and

1.2 That the merged undertaking first consider employing persons from the retrenched workforce whenever making new appointments for a period of 2 years from the date of approval of the transaction, and

1.3 That the merged undertaking make available an amount of N\$ 700,000 for the purpose of training retrenched employees. The indicated amount should translate into N\$ 8, 750.00 per employee who is subject to retrenchment. The merged undertaking shall allocate an amount for training to the affected employees subject to the following;

1.3.1 That the merged undertaking informs the affected employees (verbally and in writing) that funds are available for training courses offered by accredited institutions and request that interested employees communicate their interest, the training they wish to undertake and the estimated costs thereof within a period not less than (3) months from the date that they are informed.

1.3.2 That the amount available shall be paid directly to the chosen training institution upon production of proof of acceptance by an employee that declared their interest.

2. In order for the Commission to properly monitor compliance with the above conditions the merged undertaking shall:

2.1 Within a month after the expiration of the period specified in condition no. 2.1, provide the commission with a written report indicating the names and positions of the twenty (20) persons retained or re-employed.

2.2 Provide a report detailing the recruitment procedure undertaken for re-employing employees referred to in 2.1 and 2.2 above.

2.3 Within the 2-year period specified in condition 2.2 provide the Commission with written reports

every six (6) months from the date of approval detailing the following;

2.3.1 All vacant positions to be filled within the next six months;

2.3.2 The qualifications required for each position;

2.3.3 The skill requirements for each position

2.3.4 The recruitment procedure followed as well as rationale and sufficient proof of its transparency and fairness

2.3.5 Names of retrenched employees considered for recruitment and those recruited and their positions.



Merger between Guinea Fowl Investments (Pty) Ltd and Anglo Gold Ashanti (Namibia) Ltd

In March 2014, the Commission received a notification, on the proposed acquisition of AngloGold Ashanti Namibia (Pty) Ltd by Guinea Fowl Investments Twenty Six (Pty) Ltd ("Guinea Fowl").

The transaction entailed Guinea Fowl a wholly owned subsidiary of QKR Corporation Limited ("QKR"), acquiring the entire issued share capital in AngloGold Ashanti Namibia from AngloGold Ashanti Limited.

AngloGold Namibia owned the Navachab Gold Mine, an open pit mine situated 170 kilometres northwest of the capital Windhoek, while QKR had no operations in Namibia. The proposed transaction raised no competition concerns but raised public interest concerns.

AngloGold Ashanti employed approximately 420 permanent employees at Navachab Gold Mine at the time of the merger. The acquiring undertaking was considering offering voluntary separation or early retirement packages to a specified number of employees shortly after taking over the mine. Additionally, there appeared to be a possibility of further future retrenchments.

The Commission therefore resolved to approve the merger with the following conditions:

1. There shall be no retrenchment of employees of the merged undertakings from the Navachab

Gold Mine as a result of the merger for a period of two years from the date of approval of the merger by the Namibian Competition Commission ("Commission").

2. In order for the Commission to properly monitor compliance with the above condition any of the merged undertakings employing employees at the Navachab Gold Mine must adhere to the following procedures:

2.1 At least 1 (one) month before any retrenchments are to take place inform the Commission of:

- i) the intended retrenchments;*
- ii) the reasons for the retrenchments;*
- iii) the number and categories of employees affected; and*
- iv) the date of the retrenchments.*

2.2 Provide the Commission with reports on the following dates:

- 28 November 2014;*
- 29 May 2015;*
- 30 November 2015; and*
- 31 May 2016.*



2.3 The reports must include the following information:

- i) A list of all the employees as at the date of the report which includes their full names, positions and job grades;
- ii) A list of the employees retrenched from the time that the merger was approved;
- iii) The reasons for the retrenchments;
- iv) Any additional information that may be reasonably required by the Commission to monitor compliance with the condition.

3. For the purposes of this condition 'merged undertakings' means- QKR Corporation Limited, and all its subsidiaries and AngloGold Ashanti Namibia (Pty) Ltd.

4. For the sake of clarity, retrenchments do not include:

- voluntary separation or voluntary early retirement; and retrenchments which are merger specific but agreed on with the Commission in writing after the approval of the merger; in the event that the merged undertakings experience adverse economic circumstances which necessitate such retrenchments.



Restrictive Business Practices





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Mr. Paulus Hangula
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Restrictive Business Practices

INTRODUCTION

The Restrictive Business Practices (RBP) division enforces Chapter 3 of the Competition Act which deals with restrictive practices, abuse of dominance and exemption applications.

The division receives, assesses, verifies and investigates complaints of alleged anti-competitive behaviour, as well as provides recommendations on exemption applications.

During 2014/15, the RBP division has investigated and completed 3 cases. These relate to abuse of dominance as set out in Section 26 of the Act.

In line with the theme of ***“Ensuring Compliance with Competition Law for Effective Business”***, the division has developed internal and external guidelines on enforcement. The internal guidelines are aimed at facilitating efficiency and accountability while the external guidelines are aimed at informing external stakeholders of the Commission’s process relating to the enforcement of Chapter 3 of the Competition Act, as well as serve as an advocacy tool.

RESTRICTIVE PRACTICES EXPLAINED

Examples of **restrictive practices** typically include:

- **Predatory pricing:** Is the act of setting prices low in an attempt to eliminate competition. Undertakings engage in this conduct to drive out competitors and create barriers to entry for potential competitors.
- **Loyalty rebates:** Refers to offering discounts or rebates on customer’s purchases, for example purchasing 1000 or more units results in a 20% percent rebate on all units purchased. Rebate schemes are viewed as preventing customers from making purchases from alternative suppliers, as doing so would in effect penalize the customers through the denial of the discount and the imposition of associated switching costs.
- **Tying and bundling:** Tying is commonly defined as a dominant undertaking selling one product only on the condition that the buyer also purchases a different product or agrees that it will not purchase the tied product from another supplier. It also includes the sale of products or services that could be viewed as separate but are only sold together as a bundle. Tying and

bundled discounting may harm competition or lead to anticompetitive foreclosure and contribute to the maintenance or strengthening of market power.

- **Excessive pricing:** Refers to prices set significantly above competitive levels as a result of monopoly or market power.
- **Collusive tendering:** Refers to a conduct where undertakings agree to fix terms of a tender in order to distort competition.
- **Market allocation:** Is when competitors carve up the market and agree not to compete for certain customers or in certain geographical areas.

In terms of the Act, **abuse of dominance** includes;

- imposing unfair selling or purchase prices;
- applying dissimilar conditions to similar transactions;
- concluding contracts subject to supplementary conditions which have no connection to the subject matter of the agreement.

EXEMPTIONS

Parties who wish to seek exemption from the provisions of the Act (i.e. on certain restrictive practices) as mentioned above can approach the Commission by way of application in accordance with section 27 of the Act. Exemption can also be sought in respect of intellectual property rights and professional rules.

A professional association whose rules contain restrictions that may prevent or lessen competition may therefore seek exemption in terms of section 31. The Act makes specific reference to associations such as:

- Accountants and auditors
- Architects
- Engineers
- Estate agents
- Legal practitioners
- Quantity surveyors
- Surveyors
- Town and regional planners
- Certain health services professionals



ADVISORY OPINIONS

Although not statutorily mandated, one of the functions of the division is to provide advisory opinions to undertakings and to the general public with regard to the provisions of the Act. All requests for advisory opinions should be done in writing and advice given within 30 to 60 days subject to the complexity of the request.

Below is a summary of the concluded investigations for the period under review:

ABUSE OF A DOMINANT POSITION:

1. Industry: ***Production and distribution of wheaten flour, maize meal and pasta products market: Case name: Bokomo//Namib Mills- Case number: 2013JULY0005COMP***

The Commission in June 2013 received a complaint from Bokomo Namibia (Pty) Ltd ("Bokomo") relating to alleged abuse of dominance by Namib Mills (Pty) Ltd in the market of the production and distribution of wheaten flour, maize meal and pasta products in Namibia. The allegations were that the dominant undertaking was abusing its dominance by engaging in the following practices:

- a. Leverage pricing in contravention of section 26 (2)
- b. Offering volume discounts to several bakeries in violation of section 26 (2) (a) and
- c. Exclusive supply arrangements with several bakeries in Namibia in violation of section 26 (2) (b) of the Act.

In its investigation the Commission found that there was no contravention by Namib Mills with regard to leverage pricing and volume discounts (section 26 (2) and section 26 (2) (a) of the Act. The Commission however found that Namib Mills were engaged in exclusive supply agreements with several bakeries and that this was an infringement of the Act.

This conduct evidently raises barriers to entry as competitors of the dominant undertaking are excluded from offering their products to the customers that buy exclusively from them. The Commission has since issued a decision declaring the exclusive supply agreements to constitute an infringement of the Part II prohibitions. Following oral representations as per section 37 of the Act, the Commission may proceed to institute proceedings

against Namib Mills in court in terms of section 38 or alternatively engage in settlement discussions in terms of section 40 of the Act.

2. Industry: ***Glass Industry: Case name: Namibian Competition Commission (NACC)// PG Glass Namibia (Pty) Ltd- Case number: 2013SEP0007COMP***

The Commission received a complaint from Alpha Glass and Windscreens CC on the 12th September 2013 alleging abuse of a dominant position by PG Glass Namibia (Pty) Ltd ("PG Glass") in the market for the sale, distribution and supply of glass in Namibia.

A decision to investigate was taken in February 2014 and in April 2015, the Commission finalised its investigation into the allegations. The Commission found that PG Glass was dominant and had abused its dominance and had contravened section 26 of the Act.

The conduct of PG Glass of offering volumetric discounts was exclusionary as it discourages the undertakings participating in the scheme from buying from its rivals. This limits market access by creating barriers to entry and also limits the ability of the rivals to expand.

The Commission has since issued a decision declaring the conduct to constitute an infringement of section 26 (2) (b) of the Act. Following oral representations as per section 37 of the Act, the Commission may proceed to institute proceedings against PG Glass in court in terms of section 38.

3. Industry: ***Online advertising of used vehicles: Case name: Petrus Andreas Muller- carsnamibia// Namcars (Pty) Ltd ("Namcars") – Case number: 2013MAR0003COMP***

On 13 March, the Commission received a complaint from Petrus Muller of Carsnamibia alleging an abuse of a dominant position by Namcars. The allegations are that Namcars are implementing an exclusive policy that prohibits its customers from engaging with its competitors in the market of the provision of online advertising on behalf of used car dealers in Namibia. The allegations were that this conduct was in contravention of section 26 (2) (a) and (b) of the Act. The parties are both online advertising websites that advertise used vehicles on behalf of car dealers.



A decision to investigate was approved in October 2013.

In its investigation the Commission found that Namcars had abused its dominant position by implementing a policy that is harmful as it places customers in the hands of the dominant undertaking, foreclosing firms from the market and also making it difficult for its existing competitors to expand in contravention of section 26 (2) (b) of the Act.

The Commission has since issued a decision declaring the conduct to be exclusive and to constitute an infringement of the Act.

SECTION 40 CONSENT AGREEMENT

1. Long term insurance: **Provisions of long term insurance to Professionals: Case name: Namibian Competition Commission (NACC) // Sanlam Namibia Limited ("Sanlam"), Sanlam Life Namibia Limited ("Sanlam Life"), Professional Provident Society Insurance Company Namibia Limited ("PPS Namibia") and Professional Provident Society Insurance Company Limited ("PPS SA") – Case number: 2011MAR001INV**

During the period under review, the Commission concluded one consent agreement within the insurance industry.

The investigation concerns an agreement entered into between Sanlam and PPS (the respondents). The Commission found that the agreement contained a "non-compete" provision which sought to eliminate and/or substantially lessen competition between the respondents and further that the agreement holistically had an anti-competitive effect.

The Commission was of the view that the agreement contravened sections 23 (1) of the Competition Act, read with sections 23(3)(a), 23(3)(b) and 23(3)(e) of the Competition Act. Section 23 (1) prohibits agreements between undertakings which have as their object or effect the prevention or substantial lessening of competition in the trade of any goods or services within Namibia, unless such practices are exempt from the provisions of the Competition Act.

Whereas Section 23 (3) (a, b & e) specifically prohibit agreements which directly or indirectly fix purchase or selling prices or any other trading conditions, divides markets by allocating customers, suppliers, areas or specific types of goods or services and limits

or controls production of services and/or products.

A settlement agreement was concluded in September 2014 in which the parties agreed to amicably and cooperatively resolve the subject of the investigation as set out above. In terms of the agreement the parties agreed to a settlement fine of N\$ 5 464 791.45 which amount is to be paid to the Commission upon the agreement being declared an order of Court. Section 40 of the Competition Act mandates the Commission to have all settlement agreements concluded between the Commission and parties that are the subject of investigations to be submitted to Court and declared as an order of the court.

Once received the settlement fee will be paid over to the State revenue fund in accordance with the relevant provisions of the Act.

EXEMPTION APPLICATIONS

1. Industry: **Legal Profession: Case name: Law Society Exemption Application-**

On 16 December 2010 the Commission received an application for exemption in terms of section 31 of the Competition Act, 2003. This application was submitted by the Law Society of Namibia (LSN) in which they sought exemption of certain professional rules relating to professional fees, reserved work, organisational forms and multi-disciplinary practices, advertising and marketing and touting. The application for exemption seeks to exempt certain of the LSN rules from the application of Part I of Chapter 3 of the Act for a period of 15 years.

In assessing the application, the Commission considered the application within the context of section 31 of the Act. The following criteria were adopted in assessing the application:

- The duration sought for the exemption;
- regard to intentionally applied norms;
- whether the restriction or rule is required or necessary to maintain professional standards or the ordinary function of the profession; and
- whether the rule in terms of which of which exemption is sought is specifically authorised by the LSN's enabling legislation.

The matter is currently before the Board for consideration, once finalised an exemption certificate will be issued in accordance with Section 31(4).

OTHER ACTIVITIES UNDERTAKEN DURING 2014/2015

Restrictive Business Practices Internal and External Guidelines

Internal Guidelines

The division developed a framework manual to guide the Restrictive Business Practices division in the handling of its cases. The manual serves as a monitoring tool on the progress of cases as well as an assessment tool for screening and investigation reports. It also serves as a guiding tool to the technical staff within the division on their day-to-day activities.

External Guidelines

The purpose of the RBP external guidelines is to provide the parties to a complaint and/or investigation, parties who may be affected by the alleged conduct, industry participants, their advisors and the public in general, with information in order to ensure that parties are:

- informed on the requirements to lodge a complaint and/or an exemption application;
- familiar with and appreciative of the procedure adopted by the Commission in the process of investigating an alleged contravention of the Act or evaluation of an exemption application;
- appraised of the level of scrutiny with which complaints, investigations and exemption applications are dealt with by the Commission;
- educated on the application of sections 23 - 41 of the Act;
- able to identify the types of information that will assist the Commission in investigating complaints and assessing exemption applications and the likely impact on competition; and
- understand the Commission's approach to potential remedies in RBP cases.

The guidelines aim to facilitate efficiency and accountability as well as transparency and advocacy to the NaCC's external stakeholders.

NEW CASES & ADVISORY OPINIONS RECEIVED DURING THE PERIOD UNDER REVIEW

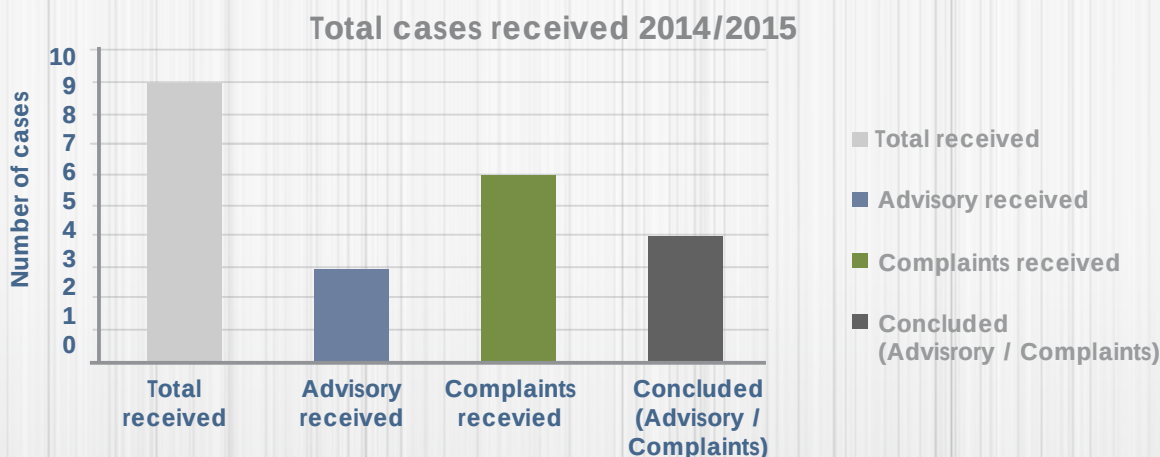
In 2014/2015 a total of nine (9) cases, three (3) advisory opinions, and six (6) complaints were received by the division. Out of these cases, three (3) advisory opinions were successfully provided and one (1) complaint screened and closed as there was not enough evidence to proceed with an investigation.

The complaint screened was received by the Commission on 11 February 2015 from NVJ distributors alleging anti-competitive practices in the distribution of duty free alcoholic beverages. The allegations were that MAQUI Duty Free was abusing its dominant position by pricing below cost on selected products that it competes with the complainant in contravention of section 26 (2) (a). Further allegations were that MAQUI probably gets its products cheaper than the complainant contravening section 26 (2) (b) of the Act.

Although the Commission did establish that the respondent is dominant, the evidence collected showed that the respondent was not pricing below its costs. Furthermore, because it could not be established that the respondent is price cutting, the later allegation of limiting market access could then not be proved.

A submission not to investigate the matter was approved and the parties were informed and the case closed.

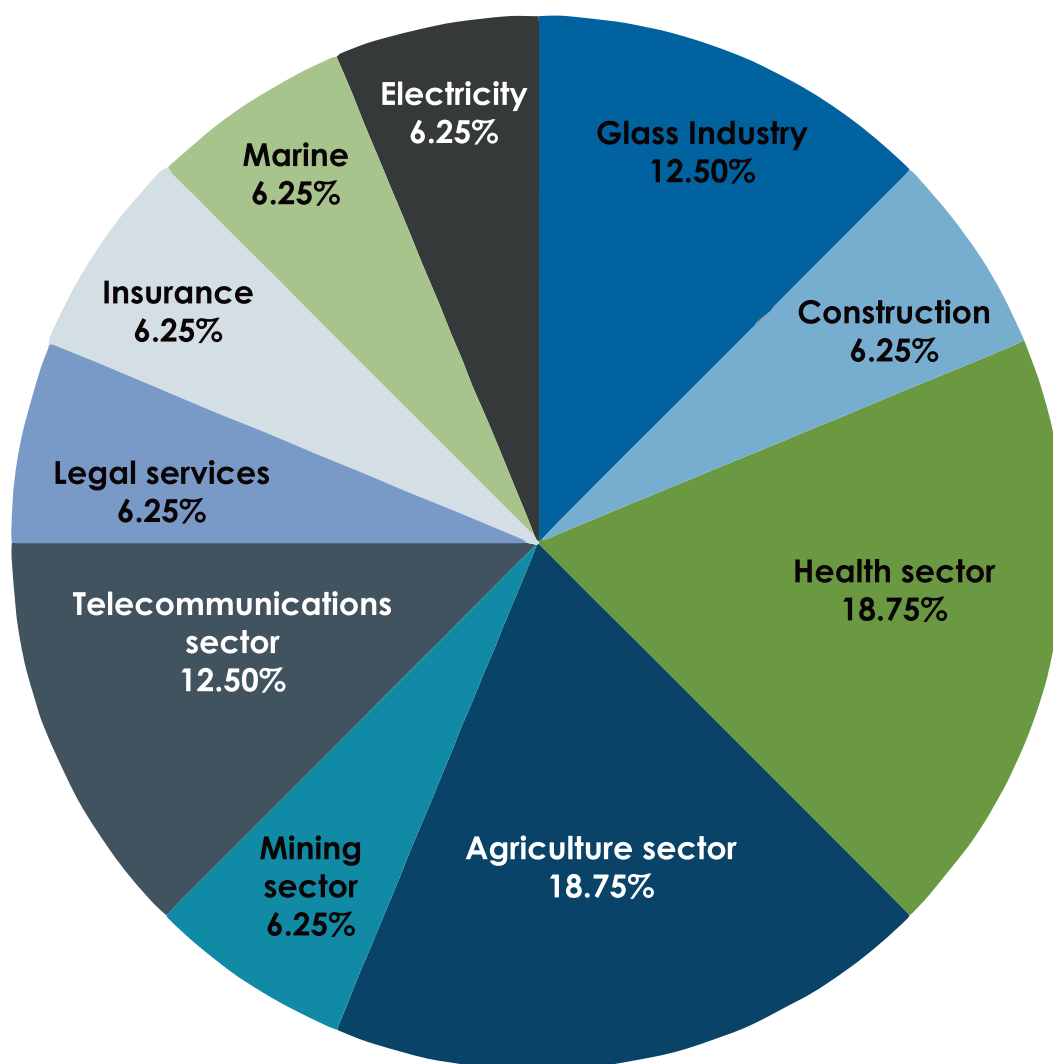
Figure 1: Cases Handled & Advisory Opinions provided during the period under review



CASES CARRIED FROM THE PREVIOUS FINANCIAL PERIOD

A total number of cases 16 cases were carried forward from the previous financial year. Three (3) were concluded and closed during this period, and 13 are still ongoing. They are illustrated in figure 2 below.

Figure 2: Cases carried forward from 2013/2014 per sector



Economics and Sector Research



Economics and Sector Research



Dr. Michael Humavindu
Director: Economic and Sector Research



Ms. Taimi Amunkete
Senior Researcher



Ms. Lovisa Hashikutuva
Researcher



Mr. Josef Hausiku
Researcher



Ms. Fallon Sibungu
Administrative Assistant

INTRODUCTION

The Economics and Sector Research division (ESR) is responsible for economic analysis and evaluating the economic impact of competition cases and policy initiatives which have a bearing on competition. The main responsibilities of the ESR are to (1) conduct market investigations on sectors identified as priority areas by the Commission; (2) carry out research and advise the Minister into matters referred to the Commission by the Minister responsible for Trade and Industry; (3) providing rigorous economic analysis on cases and investigations in mergers and restrictive conduct; (4) ensure technical advocacy on competition law; and (5) undertake market impact assessment to measure the effectiveness of the Commission's intervention in the economy.

During the period under review, the ESR division conducted two main research activities, one in the automotive industry and the other one on the product market regulation and anti-trust framework in partnership with the World Bank. The ESR division also worked on two complex cases with the Restrictive Business Practices division during the period under review and has finalised the first draft National Competition Policy for Namibia.

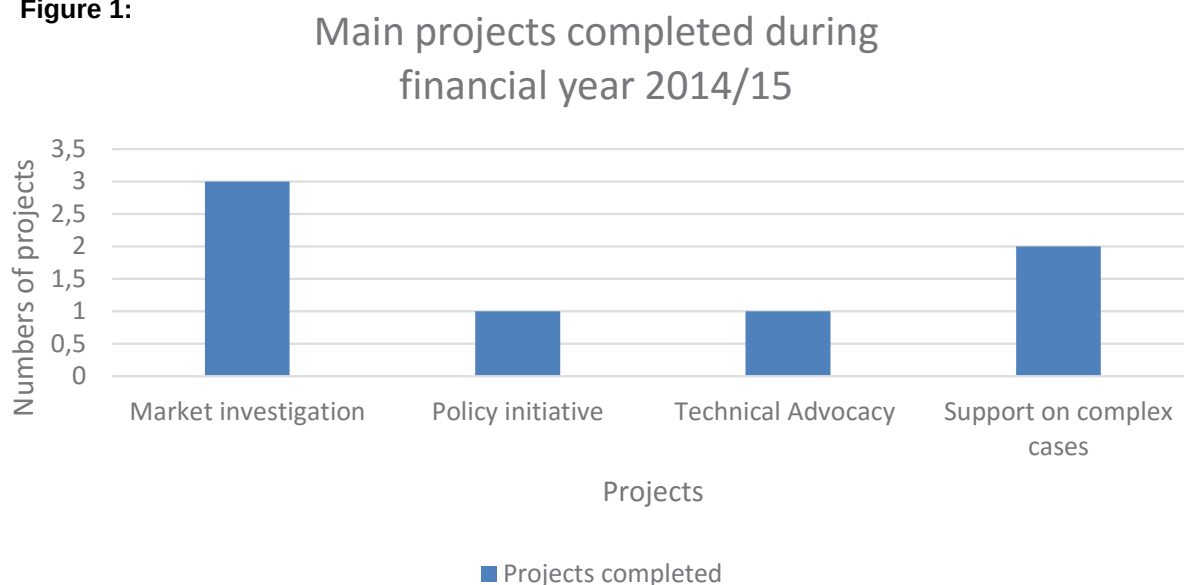
THE AUTOMOTIVE STUDY

The automotive market study is in its advanced stage. The study is aimed to understand the market structure and possible competition concerns to help in identifying the main challenges that need to be addressed in order to enhance growth of the industry, including automotive manufacturing.

The preliminary findings indicate that the Namibian motor industry consists of the distribution, servicing and maintenance of motor vehicles, with sales of vehicles and spare parts as well as aftercare services being major activities.

The main manufacturing activities in Namibia are light industry-based and directly linked to the primary sector. They include mineral processing including diamond cutting and polishing, meat and fish processing, food production including dairy products and beverages, and other manufacturing activities such as metal fabrication. New manufacturing industries (dairy, pasta and broiler production) have benefitted from the Infant Industry Protection under the SACU Agreement. In order to diversify the sector and attract Foreign Direct Investment (FDI), Government created incentives such as the Export Processing Zones (EPZs).

Figure 1:



MARKET INVESTIGATIONS

The Commission does not have market inquiries power yet, but it uses its power granted under Section 16 of the Competition Act to undertake market research into competition concerns that can not necessarily be dealt with under the standard competition rules of restrictive practices and abuse of dominance. The following are some of the studies that the Commission has embarked upon, in order to understand the general state of competition in the sectors.

However, available data for the past years show that efforts to achieve this goal have not been able to alter the structure of the country's economy in any significant way. Despite an increase in the number of manufacturing companies and activities, the manufacturing sector continues to be small, contributing only about 12 percent on average to the country's GDP. Following the same trend, the metal (steel) and engineering sector which is key to the automotive industry, is relatively undeveloped with a few key players dominating the industry. At present a handful of companies produce tools and car parts for both the domestic market and for exports (see Table on left).

The preliminary data point out that there are possible barriers to entry for the automotive industry which relates to franchising issues, anti-competitive agreements that emanate from franchising and

agreements between Original Equipment Manufacturers (OEMs) and panel beaters, as well as between panel beaters and insurance providers. The study is expected to be completed in the next

Table 1: Manufacturing companies currently producing automotive and related products in Namibia

Company	Products	Market
Namibia Press and Tools	BMW heat protector covers BMW N63 (5-8 Cyl.) Heat protector cover BMW ZB Träger–Carrier assembly BMW Ölleitung ATL – Oil line cover BMW WEB cylinder (4-6) heat protective cover	Germany (BMW)
Windhoecker Maschinenfabrik 1998 (Pty) Ltd	Ballistic protected vehicles Mine protected vehicles Agricultural vehicles	Namibia (Ministry of Defence)
Transvehco	Assembling of trucks and midi-busses from China	Angola
Machine & Tool Maintenance Engineers Cc	Agricultural equipment's (Roller Mills, Dehullers, Hindustan engines) Drill tubes Gear & spline cutting Propshafts R.C & diamond core drill rigs Rebuilding & machining Truck & trailer axles clutches	Namibia Occasionally exports to Angola and Zambia
Paco Engineering (Pty) Ltd	Repair and manufacture propshafts Tools and die making Profile cutting On-set line boring CNC automated mass production Vehicle parts	Namibia
Propshaft Engineering Cc	Propshaft Any other machine and car part on request	Namibia
Miltur Engineering Cc	Gear manufacturing General repair and designs Vehicle components General engineering	Namibia
Zebra Trailers	Trailers	Namibia
Liyenge Welding Trailer Manufacturing Cc	Utility trailer Luggage/off-road trailers Single/double bike/boat Trailers Single/double deck Cattle/sheep Trailers Horse trailers Tractor trailers Car-carriers	Namibia
Tandiya Welding Works	Trailers Bull bars Field toilets Barkers Tables and chairs	Namibia
JJDS Engineering	Brick laying machines Hummer mill machines Water tank trailers Braai stands Maize thresher	Namibia Angola

financial year. The final study will be submitted to the Ministry of Industrialization, Trade and SME Development during the 2016/17 financial year after approval by the Board of Commissioners.

WORLD BANK STUDY ON PRODUCT MARKET REGULATIONS AND ANTI-TRUST FRAMEWORK

The World Bank study on product regulation was part of the World Bank technical assistance to the NaCC which was aimed to identify barriers to the development of competition in Namibian markets; propose recommendations to eliminate barriers to competition and anticompetitive product market regulation derived from restrictive government policies; and strengthen the antitrust framework and enforcement capacity of the NaCC. The study also reviewed the Namibian competition law and identified areas that need to help the enforcement of competition law and consequent impact to open markets to more firms to compete and to enhance productivity growth. The report is expected to be discussed with relevant stakeholders for validation of the findings and recommendations.

ANNUAL COMPETITION WEEK

The ESR divisions spearheaded the Commission's 3rd Annual Competition week, an advocacy platform aimed at sensitizing businesses, consumers and all the relevant stakeholders on the importance of competition law to both businesses and economy. The year's event, titled Competition law, Policy and SMEs was aimed at highlighting the importance of competition law to SMEs, challenges facing SMEs and its potential to grow as far as competition law and policy is concerned. Similar to the past events, the activities for the week included a workshop, talk shows/interviews on radio and television, a student lecture and an essay competition for students of Law and Economics at the Polytechnic and University of Namibia.

The workshop on Competition Law, Policy and SMEs brought together over 60 participants from policy organizations (MITSD and NaCC), SME associations, SME players in different sectors, as well as representatives from private organizations. Among others, the main outcome of the workshop was deliberations on the challenges facing SMEs, including issues pertaining to economics of scale, access to funding, access to affordable work space, access to markets, shortages of skilled labour, cost of doing business, bureaucracy, statutory obligations, tax regime and levies/fees.

Considering all the challenges faced by SMEs as compared to their peers, most SME players pointed out that government should consider protecting SMEs from foreign competition. Considering Namibia being a signatory to the World Trade Organization

(WTO) and other trade agreements, the issue on whether competition and protectionism can co-exist was discussed, with the majority arguing that it can co-exist and should be considered as a cushion for SMEs against competition.

POLICY INITIATIVES

Development of the National Competition Policy (NCP)

The draft National Competition Policy was submitted to the Ministry of Industrialization Trade and SME development to proceed with the finalization process.

Among others, the objectives as in the draft NCP are:

- i. To ensure the preservation of the competition process in Namibia, to protect and promote competition in order to realise optimal efficiency and the maximisation of consumer welfare,
- ii. To provide guiding principles to different branches of the Government for an effective competition assessment of policies and legislation,
- iii. To provide the basic framework of the parameters and the strategic policy considerations that will guide the review competition legislation,
- iv. To address the regulatory and institutional infrastructure that will ensure the effective implementation and enforcement of a competition law and policy,
- v. To promote, build and sustain a competition culture through creating awareness and targeted advocacy initiatives, imparting training and capacity building of stakeholders across the broad economic and social spectrum of Namibia,
- vi. To foster competition in regulated sectors and to promote institutional coherence for synergised cooperation between and among sectoral regulators and/or competition regulators thereby minimising any jurisdictional grid locks, and
- vii. To maximise consumer welfare in terms of benefits accruing through wider choices, high quality of goods and services at competitive prices

The Commission also undertook a review process to ensure that the policy is aligned to the revised Competition Bill. Within this context, a policy framework was developed. The framework explains the rationale for policy objectives in the Competition Policy.

Photos from the Annual Competition Week



Corporate Services





Mr. Gideon //Garueb
Director Corporate Service



Ms. Valentina Schaneck
Senior Human Resources
Practitioner



Ms. Dina Gowases
Corporate Communications
Officer



Ms. Izelda Goagoses
Records and Documentations
Clerk



Ms. Sophia Haoses
Assistant Accountant



Ms. Roswindis Amushila
Officer Administration



Mr. Marius Eichab
Office Assistant



Ms. Claudia Konjore
Receptionist



Mr. Bernatus Goreseb
Driver

Corporate Services

Introduction

The Corporate Services division aims to ensure that the Commission remains a centre of operational excellence through provision of information & communication technology, human resources, financial management, facilities and administrative support services that enable the Commission to effectively discharge its mandate.

The division employs best practices, information technology and logistical support strategies to ensure efficient and effective discharge of the duties conferred upon the Commission by the Act. Below is an elaboration on the activities of the respective sections within the Corporate Services division.

ADMINISTRATION AND INFORMATION TECHNOLOGY

Facilities and Accessibility

The Commission has maintained easy access to and sufficient parking to its premises for stakeholders and clients alike. Assets of the Commission are secured in locked offices with 24-hour security, and an alarm system linked to a rapid response security firm.

Procurement

The Commission has strived to always increase efficiency, reduce cost and comply with laws when sourcing products and services through the

tendering process. A Tender Committee considers all procurements exceeding N\$100 000.00, and applies policy guidelines as well as periodic directives from the line Ministry.

Logistical Support Services

Transportation of staff to and from various destinations, bookings for flights and other logistical support has been provided reliably and timely.

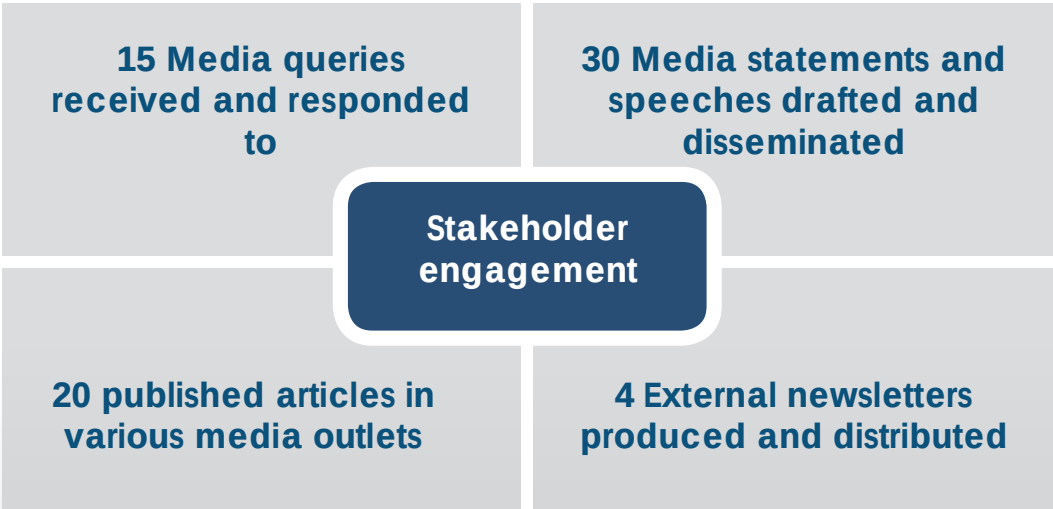
Information Technology

The IT section ensures operational effectiveness and efficiency at all time through a supportive IT infrastructure. Business processes and support systems ensure case management, easy transacting and access to information through reputable websites. From a risk management perspective, the Commission's business information data is stored offsite in order to ensure retention of intelligence and to also ensure business continuity in event of an emergency at current premises.

CORPORATE COMMUNICATIONS

The Commission's Corporate Communications department, as the custodian of stakeholder relations, continues to advocate the mandate of the company through various internal and external platforms.

Figure 1: Matrix: Stakeholder engagement output for the period 2014/15



Internal Relations

In order to boost morale and ensure that employees internalise the mandate of the Commission as their own, bi-monthly social 'happy hour' gatherings are held, employees' birthdays are acknowledged, as well as any births or deaths in their respective families. The employees are informed of various changes and decisions made in the Commission through the internal news update as well as memos and email. The Corporate Communications department organises staff meetings on behalf of the Office of the CEO for interpersonal communication.

Media Relations

The media plays a pertinent role in the information dissemination of the Commission's activities to the public. Therefore, the Commission finds it imperative to maintain a sound advocacy partnership with this tier in the value chain of economic growth.

In the period under review, the Commission issued a total of 10 media statements, conducted five (5) broadcasts (radio and television) interviews, as well as published 20 educational and policy articles in various news media outlets.

Publications and Website

The Commission publishes a quarterly newsletter in order to update its stakeholders on the latest developments within the Commission. To this end, four newsletters are produced each year and the distribution base is now recorded at 2000 stakeholders including exhibition shows, educational institutions, libraries, medical institutions, trade unions, law institutions and so on.

On the social media front, the Commission has increased its presence through its Facebook page with page views of up to 600 per posts in weekly intervals. The website remains the main source of information on the Commission's mandate and its activities and is accessible by stakeholders around the globe at www.nacc.com.na

HUMAN RESOURCES

The Human Resources department occupies a central role in the Commission's activities with particular focus on employees; recruiting, promoting and capacity building.

Policy Revision

To kick-start improvement and keep abreast with the market trends in terms of human resources best practices, the Commission revised the Performance management policy, training and development policy and is currently busy reviewing the remuneration and reward policy.

Staffing

The Commission's staff complement was 34, however 8 employees left the employment of the Commission through expiration of employment contracts or through resignation.

Staff Wellness

The Commission hosted its annual wellness day as part of health awareness for communicable and life threatening diseases, which included massage therapy, general cancer awareness, HIV testing and counselling, cholesterol testing, etc.

Staff Milestones

The Chief Executive Officer, Mr Mihe Gaomab was appointed on the 1st September 2009 as the Commission's first employee and thus on the 1st September 2014, he was in the employ of the Commission for five years.

Three Commission employees also obtained tertiary qualifications in Criminal Justice (Investigations), LLB and an Honours degree in Human Resources.

Table 1: Staff Complement

Description	Statistics
Total number of employees	34
Number of males	16
Number of females	18
Number of employees with disabilities	0
Number of temporary employees	0
Number of interns	1

Capacity Development

The Commission continued to invest in capacity building of its employees to enable them to accomplish the Commission's mandate. In total 20 employees were trained in various disciplines including technical and soft skills.

Staff Turnover

The average tenure at the Commission is 3.3 years. The Commission experienced a high turnover of 23% in the year under review as opposed to the previous year's rate of 6%.

Table 2:

Year	Percentage staff turnover
2012	0%
2013	1%
2014	23%

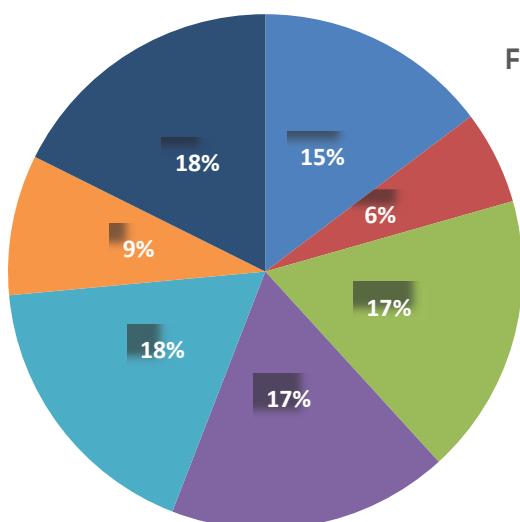


Figure 2: The Commission's Staff Complement

- Executive Managers (5)
- Middle Managers (2)
- Specialised Officers (6)
- Lawyers (6)
- Economists (6)
- Researchers (3)
- Admin (6)

FINANCE

Budget Commentary

Budget implementation is closely monitored through monthly reports distributed to management for their information, perusal and action, ultimately ensuring compliance with internal budgetary requirements as well as ensuring financial transparency.

During the review period, total income was 32.4 % (N\$ 7.1 million) higher than the budget of N\$ 22.1 million for the period.

Higher income was accounted for by merger filling fees and interest earnings (figure 4). Merger filling fees are statutory charges collected by NaCC for filling a

merger notice. These are used to finance administration costs incurred in running NaCC's daily operations.

On the other hand, total expenditure showed a positive variance of 18.5% (N\$ 5.5 million) when compared with the budget of N\$ 35.2 million for the period. This positive variance is the result of a significant cost savings achieved in staff salaries and related costs as a result of timing differences between the actual and anticipated dates of filling vacancies. Chart 3 depicts the various components of the Commissions operating costs.

Figure 3: Total Comprehensive Income

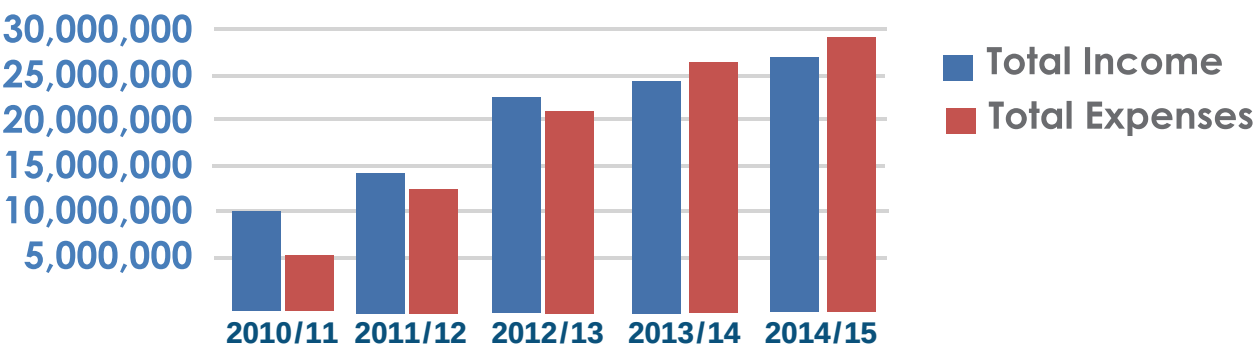


Figure 4: Merger Filing Fees

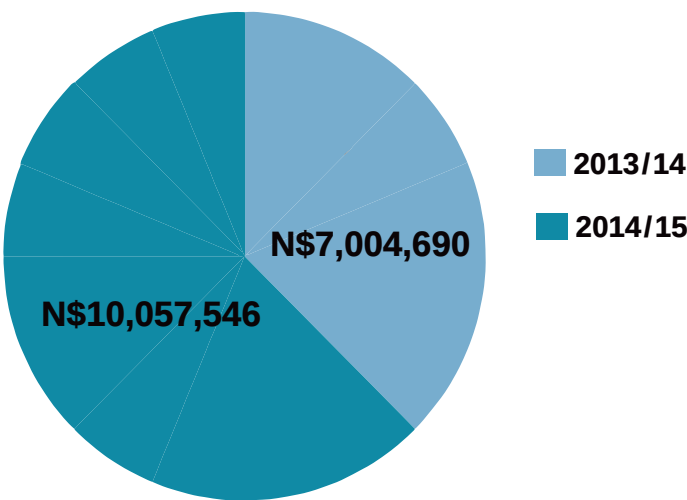
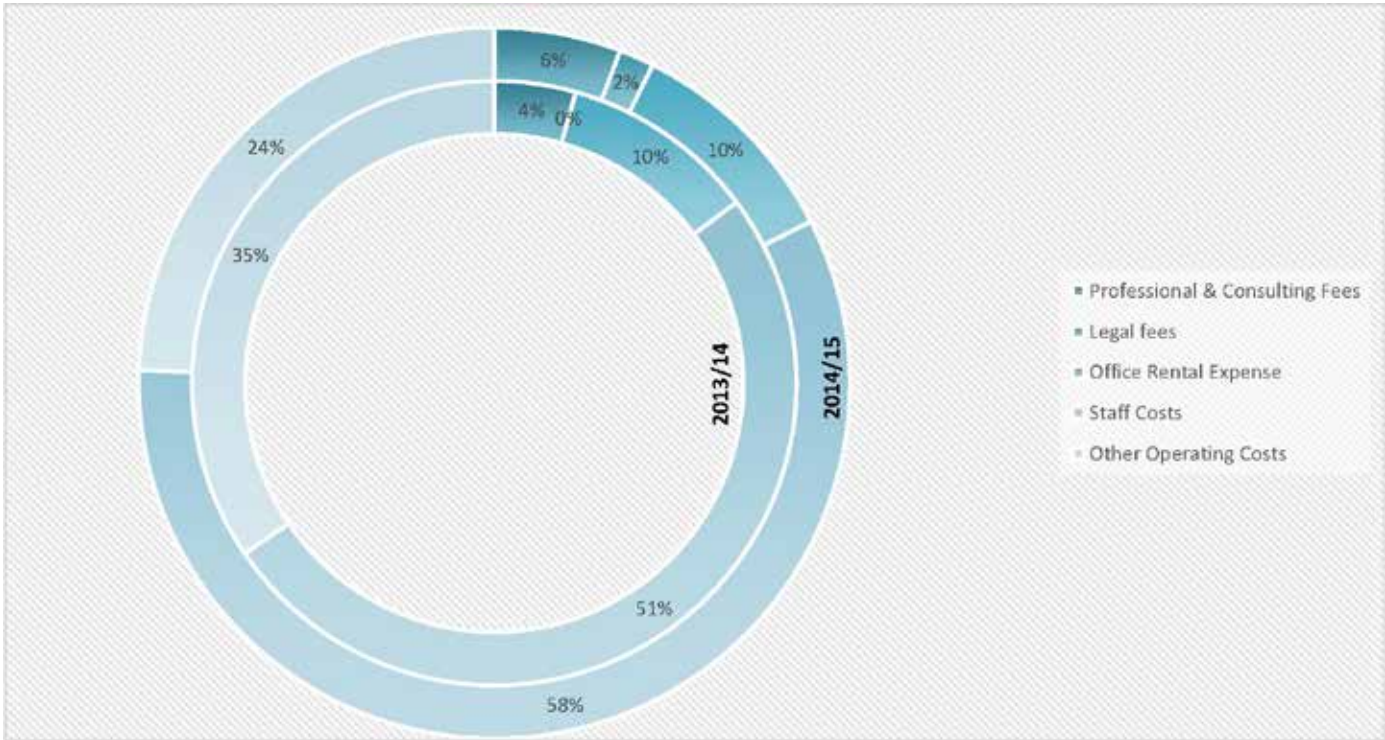


Figure 5: Operating Costs



Asset Commentary

The Commissions total assets increased by 24.5% to N\$ 31.1 million as at 31 March 2015, compared with N\$ 25 million as at 31 March 2014.

The Commission capitalises all its assets with a life expectancy greater than a year and with a value greater than N\$ 5000.



Annual Financial Statements



REPUBLIC OF NAMIBIA



TO THE HONOURABLE SPEAKER OF THE NATIONAL ASSEMBLY

I have the honour to submit herewith my report on the accounts of the Namibian Competition Commission for the financial year ended 31 March 2015 in terms of Article 127(2) of the Namibian Constitution. The report is transmitted to the Honourable Minister of Ministry of Industrialisation, Trade & SME Development in terms of Section 21(2) of the Competition Act, 2003 (Act 2 of 2003).

WINDHOEK, June 2016

A handwritten signature in black ink, appearing to read 'Junias Etuna Kandjeke'.

**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

REPORT OF THE AUDITOR - GENERAL
ON THE ACCOUNTS OF THE NAMIBIAN COMPETITION COMMISSION
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2015

1. Report on the financial statements

1.1 INTRODUCTION

The accounts of the Namibian Competition Commission for the financial year ended 31 March 2015 are being reported on in accordance with the provisions set out in terms of Section 20 (4) of the Competition Act, (Act No. 2 of 2003).

Figures in the report are rounded to the nearest Namibia dollar and deficits are indicated in (brackets).

I certify that I have audited the accompanying financial statements of the Namibian Competition Commission for the financial year ended 31 March 2015. These financial statements comprise the following:

- Statement of Financial Position;
- Statement of Financial Performance;
- Cash Flow Statement;
- Notes to the Annual Financial Statements;
- Detailed Statement of Financial Performance.

The financial statements were submitted on time by the Accounting Officer to the Auditor-General on 30 June 2015 in compliance with Section 20 (3) of the Competition Act, (Act 2 of 2003).

The financial statements, notes to the financial statements and general information provided by the Accounting Officer are attached as Annexure A – F.

2. MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with section 20 (2) of the Competition Act, (Act 2 of 2003), and for such internal control as management determines it necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

3. AUDITOR'S RESPONSIBILITY

My responsibility is to express an opinion on these financial statements based on the audit. I conducted the audit in accordance with International Standards for Supreme Audit Institutions (ISSAIs). These standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Powers and duties

Section 25(1) (c) of the State Finance Act, 1991, provides that the Auditor-General should satisfy himself that:

- (a) All reasonable precautions have been taken to ensure that all monies due to the State are collected, and that the laws relating to the collection of such monies have been complied with;
- (b) All reasonable precautions have been taken to safeguard the receipt, custody and issue of and accounting for, the State's assets, such as stores, equipment, securities and movable goods; and
- (c) The expenditure has taken place under proper authority and is supported by adequate vouchers or other proof.

In addition, Section 26(1) (b)(iv) of the State Finance Act, 1991, empowers the Auditor-General to investigate and report on the economy, efficiency and effectiveness of the use of the State's resources.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for the audit opinion.

4. ACKNOWLEDGEMENT

The assistance and co-operation of the staff of the Commission during the audit is appreciated.

5. KEY AUDIT FINDINGS

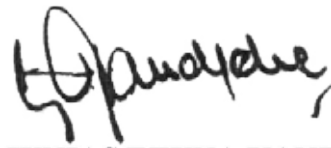
- 5.1** The Commission does not have a depreciation policy in place.
- 5.2** Not all fixed assets were tagged or numbered with unique identification numbers at the time of audit.

6. UNQUALIFIED AUDIT OPINION

I certify that I have audited the financial statements of the Namibian Competition Commission for the financial year ended 31 March 2015 in accordance with the terms of Section 25(1) of the State Finance Act, 1991(Act 31 of 1991) read with Section 20 (4) of the Competition Act, (Act No. 2 of 2003).

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Namibian Competition Commission as at 31 March 2015, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

WINDHOEK, June 2016



**JUNIAS ETUNA KANDJEKE
AUDITOR-GENERAL**

NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2015
GENERAL INFORMATION

Country of Incorporation and domicile	Namibia
Nature of business and principal activities	The Commission is tasked with promoting competitive market conditions through investigations and prosecutions of anti-competitive activities, reviewing and approving mergers and exemption applications, and disseminating information to businesses, consumers and other stakeholders.
Secretary	H M Gaomab II
Business address	No. 14 BPI House Mezzanine Floor Independence Avenue Windhoek
Postal address	P. O. Box 2104 Windhoek Namibia
Bankers	Bank Windhoek Limited
Auditors	Auditor General

NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2015

COMMISSION'S RESPONSIBILITY & APPROVAL

The Commission is required by the Competition Act (Act No. 2 of 2003), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is their responsibility to ensure that the annual financial statements fairly present the state of affairs of the Commission as at the end of the financial 12 months and the results of its operations and cash flows for the period then ended, in conformity with International Financial Reporting Standards and the Competition Act of Namibia (Act No. 2 of 2003).

The annual financial statements are prepared in accordance with International Financial Reporting Standards and Competition Act 2003 (Act No. 2 of 2003) and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

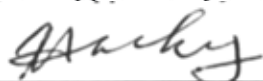
The Commissioners acknowledge that they are ultimately responsible for the system of internal financial control established by the Commission and place considerable importance on maintaining a strong control environment. To enable the Commission to meet these responsibilities, the Commission sets standards for internal control aimed at reducing the risk of error or loss in a cost effective manner. The standard includes the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk.

These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standard in ensuring the Commission's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Commission is identifying, assessing, managing and monitoring all known forms of risk across the Commission. While operating risk cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, control, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Commissioners are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The Commissioners have reviewed its cash flow forecast for the 12 months ended 31 March 2015 and, in light of this review and the current financial position, they are satisfied that the Commission has or has access to adequate resources to continue in operational existence for the foreseeable future.

The annual financial statements set out on page 5 to 19, which have been prepared on the going concern basis, were approved by the Commission and were signed on its behalf by:



Chairman of the Commission
Windhoek



Commissioner

07 July 2016

Date

NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2015
SECRETARY'S REPORT

The Secretary has pleasure in submitting the report on the annual financial statements of the Namibian Competition Commission for the year ended 31 March 2015.

1. Incorporation

The Commission was incorporated on 24 April 2003 in accordance with the promulgation of the Competition Act, 2003 (Act No. 2 of 2003).

2. Nature of Business

The Commission is tasked with promoting competitive market conditions through investigations and prosecutions of anti- competitive activities, reviewing and approving mergers and exemption applications, and disseminating information to businesses, consumers and other stakeholders, and operates principally in Namibia.

There has been no material changes to the nature of the Commission's business from the prior year.

3. Review of financial results and activities

The annual financial statements have been prepared in accordance with International financial Reporting Standards and the requirements of the Companies Act of Namibia. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Commission are set out in these annual financial statements.

4. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

5. Commissioners

The commissioners in office at the date of this report are as follows:

Commissioners	Date Appointed	Nationality
Dr. Sakeus Akweenda (Chairperson)	11 February 2015	Namibian
Mr. Gideon Shilongo	11 February 2015	Namibian
Ms. Teresia Kaulihowa	11 February 2015	Namibian
Mr. Ngidinua Daniel	01 February 2010	Namibian
Ms. Malverene Theron	17 September 2013	Namibian

6. Secretary

The Secretary of the Commission during the date of this report is as follows:

Name	Date Appointed	Nationality
Mr Heinrich M. Gaomab	01 September 2009	Namibian

NAMIBIAN COMPETITION COMMISSION
STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH

		2015	2014
	Note(s)	N\$	N\$
ASSETS			
Non-Current Assets			
Property, plant and equipment	3	1 223 708	1 689 329
Current Assets			
Trade and other receivables	4	240 864	408 268
Cash and cash equivalents	5	29 731 788	22 968 274
Total Assets		31 196 360	25 065 871
EQUITY AND LIABILITIES			
Accumulated surplus		23 576 040	23 972 680
Liabilities			
Current Liabilities			
Trade and other payables	6	7 620 320	1 093 191
Total Equity and Liabilities		31 196 360	25 065 871

NAMIBIAN COMPETITION COMMISSION

STATEMENT OF FINANCIAL PERFORMANCE FOR THE FINANCIAL YEAR ENDED
31 MARCH

	Note(s)	2015 N\$	2014 N\$
Revenue	7	28 057 546	25 004 690
Operating expenses		(29 775 178)	(26 888 402)
Operating profit/(Loss)		(1 717 632)	(1 883 712)
Investment revenue	8	1 320 992	1 249 705
Finance Cost		-	-
Total comprehensive income for the 12 months		(396 640)	(634 007)

NAMIBIAN COMPETITION COMMISSION
STATEMENT OF CHANGES IN EQUITY FOR FINANCIAL YEAR
ENDED 31 MARCH

	Accumulated surplus	Total equity
	N\$	N\$
Balance at 01 April 2013	24 606 687	24 606 687
Changes in equity		
Total comprehensive loss for the 12 months	(634 007)	(634 007)
Total changes	23 972 680	23 972 680
Balance at 01 April 2014	23 972 680	23 972 680
Changes in equity		
Total comprehensive loss for the 12 months	(396 640)	(396 640)
Total changes	(396 640)	(396 640)
Balance at 31 March 2015	23 576 040	23 576 040

NAMIBIAN COMPETITION COMMISSION
CASH FLOW STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH

	Note(s)	2015	2014
		N\$	N\$
Cash flow from operating activities			
Cash receipts from customers and government grants		28 224 950	25 004 690
Cash paid to suppliers and employees		(22 617 443)	(25 611 487)
Cash generated from operations	9	5 607 507	(606 797)
Interest income		1 320 992	1 249 705
Net cash from operating activities		6 928 499	642 908
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(164 985)	(606 673)
Total cash movement for the 12 months		6 763 514	36 235
Cash at beginning of the		22 968 274	22 932 039
Total cash at end of the 12 months		29 731 788	22 968 274

**NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2015**

1. ACCOUNTING POLICIES

1.1 Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with International Financial Reporting Standards, and the Competition Act (Act No. 2 of 2003). The annual financial statements have been prepared on the historical cost basis, and incorporate the principal accounting policies set out below.

The annual financial statements are prepared in conformity with International Financial Reporting Standards and the requirements of the Competition Act of Namibia, appropriate to the business of the Commission. The annual financial statements are prepared under the historical cost convention as modified by the revaluation of certain property, plant and equipment, marketable securities and investment properties where appropriate, and incorporate the principal accounting policies set out below.

These accounting policies are consistent with the previous period.

1.1.1 Statement of compliance

The financial statements are prepared in compliance with International Financial Reporting Standard (IFRS) and Interpretations of those standards, as adopted by the International Accounting Standard Board (IASB) the requirements of the Competition Act of Namibia.

1.1.2 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affects the amounts represented in annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Loans and receivables

The Commission assesses its loans and receivables for impairment at each balance sheet date. In determining whether an impairment loss should be recorded in an income statement, the Commission makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flow from a financial asset.

Taxation

The Commission has interpreted the Competition Act and Tax laws and concluded that the Commission is exempt from taxation.

**NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2015**

1. ACCOUNTING POLICIES (continued)

1.1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefit associated with the item will flow to the Commission; and
- the cost of the item can be measured reliably.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the cost of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment.

Item	Average useful life
Furniture and Fixtures	3 Years
Motor Vehicles	5 Years
IT Equipment and Softwares	3 Years
Other Fixed Assets	3 Years
Office Equipment	3 Years
Cell Phones	2 Years
Minor Assets	0 Years

The residual value and useful life of each asset are reviewed at the end of each financial period.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit or loss when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposable proceeds, if any, and the carrying amount of the item.

1.1.4 Financial Instruments

Initial recognition and measurements

Financial instruments are recognised initially when the Commission becomes a party to the contractual provisions of the instruments.

NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2015

1 ACCOUNTING POLICIES (continued)**1.1.4 Financial Instruments (continued)****1.1.5 Initial recognition and measurements**

The Commission classifies financial instruments or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost.

For financial instruments which are not at fair value through profit or loss, transaction costs are included in the initial measurement of the instrument.

Fair value determination

The fair values of quoted investments are not based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Commission establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cashflow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Trade and other receivables

Trade receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired. Significant financial difficulties of debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The allowances recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other receivables are classified as loans and receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits and other short-term highly liquid investments that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in value. These are initially and subsequently recorded at fair value.

**NAMIBIAN COMPETITION COMMISSION
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2015**

1 ACCOUNTING POLICIES (continued)

1.1.5 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all risks and rewards incidental to ownership.

Operating Leases – lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset. This liability is not discounted.

1.1.6 Impairment of assets

The Commission assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Commission estimates the recoverable amount of the asset.

If there is any indication that an asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is determined.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in profit or loss. Any impairment loss of a revalued asset is treated as a revaluation decrease.

1.1.7 Provisions and contingencies

Provisions are recognised when:

- the Commission has present obligation as a result of past event;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the present value of the expenditure expected to be required to settle the obligation.

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH 2015

1. ACCOUNTING POLICIES (continued)**1.1.7 Provisions and contingencies (continued)**

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement shall be recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settle the obligation. The reimbursement shall be treated as a separate asset. The amount recognised for the reimbursement shall not exceed the amount of the provision.

Provisions are not recognised for future operating losses.

If an entity has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note.

1.1.8 Government grants

Government grants are unconditional and are recognized upon receipt in terms of the Competition Act (Act No. 2 of 2003) of Namibia.

1.1.9 Revenue

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discount and volume rebates, and value added tax.

Interest is recognized, in profit or loss, using effective interest rate method

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH

2. Application of new and revised International Financial Reporting Standards

Amendments in International Accounting Standards (“IAS”) and IFRS

IAS/IFRS	Pronouncement	Effective date
IFRS 10 and IAS 28	Amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	01 January 2016
IFRS 10, IFRS 12 and IAS 28	Amendments to Investment Entities: Applying the Consolidation Exception	01 January 2016
IFRS 11	Amendments to Accounting for Acquisitions of Interest in Joint Operations	01 January 2016
IFRS 14	Regulatory Deferral Accounts	01 January 2016
IAS 1	Amendments to Disclosure Initiative	01 January 2016
IAS 16 and IAS 38	Amendments to Clarification of Acceptable Methods of Depreciation and Amortisation	01 January 2016
IAS 16 and IAS 41	Agriculture – Bearer plants – Amendments to IAS 16 and IAS 41	01 January 2016
IAS 27	Amendments to Equity Method in Separate Financial Statements	01 January 2016
IFRS 5	Non – Current Assets Held for Sale and Discontinued Operations – Changes in methods of disposal	01 January 2016
IFRS 7	Financial Instruments: Disclosures – Servicing contracts	01 January 2016
IFRS 7	Financial Instruments: Disclosures – Applicability of the offsetting disclosures to condensed interim financial statements	01 January 2016
IAS 19	Employee Benefits – Discount rate: regional market issue	01 January 2016
IAS 34	Interim Financial Reporting – Disclosure of information elsewhere in the interim financial report	01 January 2016
IFRS 15	Revenue from Contracts with Customers	01 January 2016
IFRS 9	Financial Instruments	01 January 2016

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH (continued)

3. PROPERTY, PLANT AND EQUIPMENT

	2015			2014		
	Cost/ Valuation	Accumulated depreciation	Carrying Value	Cost/ Valuation	Accumulated depreciation	Carrying Value
	N\$	N\$	N\$	N\$	N\$	N\$
Furniture and Fixtures	1 711 957	(1 022 998)	688 959	1 669 601	(722 077)	947 524
Motor Vehicles	530 349	(290 351)	239 998	530 349	(205 496)	324 853
IT equipment	1 209 704	(1 009 266)	200 438	1 138 672	(820 616)	318 056
Other Fixed Asset	80 877	(46 483)	34 393	80 877	(31 926)	48 951
Office Equipments	117 096	(61 040)	56 056	79 562	(42 854)	36 708
Cell Phones	57 323	(53 459)	3 864	57 323	(44 086)	13 237
Minor Assets	297 461	(297 461)	-	283 399	(283 399)	-
Total	4 004 767	(2 781 059)	1 223 708	3 839 782	(2 150 454)	1 689 329

Reconciliation of property, plant and equipment - 2015

	Opening Balance	Additions	Written off	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Furniture and Fixtures	947 524	42 357	-	(300 922)	688 959
Motor Vehicles	324 853	-	-	(84 855)	239 998
IT equipment	318 056	71 032	-	(188 650)	200 438
Other Fixed Asset	48 951	-	-	(14 558)	34 393
Office Equipments	36 708	37 534	-	(18 186)	56 056
Cell Phones	13 237	-	-	(9 373)	3 864
Minor Assets	-	14 062	-	(14 062)	-
	1 689 329	164 985	-	(630 606)	1 223 708

Reconciliation of property, plant and equipment - 2014

	Opening Balance	Additions	Written off	Depreciation	Total
	N\$	N\$	N\$	N\$	N\$
Furniture and Fixtures	1 014 859	222 346	-	(289 681)	947 524
Motor Vehicles	409 710	-	-	(84 857)	324 853
IT equipment	429 666	121 957	-	(233 568)	318 055
Other Fixed Asset	31 077	31 278	-	(13 404)	48 951
Office Equipments	30 621	23 229	-	(17 142)	36 708
Cell Phones	20 750	8 740	-	(16 253)	13 237
Minor Assets	-	199 123	-	(199 123)	-
	1 936 684	606 673	-	(854 028)	1 689 329

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH (continued)

	2015	2014
	N\$	N\$
<u>4. TRADE AND OTHER RECEIVABLES</u>		
Trade receivables	68 237	41 466
Accrued Income	1 225	57 790
Deposits	171 402	309 012
	<u>240 864</u>	<u>408 268</u>

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalent consist of:

Cash on hand	942	542
Bank balances - Cheques account	5 992 391	735 064
Bank balances - Call account	1 205 522	5 587 710
Bank balances - Call account	7 292 850	10 444 958
Bank balances - Fixed account	15 240 082	6 200 000
	<u>29 731 787</u>	<u>22 968 274</u>

Credit quality of cash at bank and short term deposit, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit rating (if available) or historical information about counterparty default rates:

Credit rating		
A1 +	<u>29 731 788</u>	<u>22 968 274</u>

6. TRADE AND OTHER PAYABLES

Accrued expense - Creditors	1 699 862	527 485
Income Received in Advance	5 000 000	-
Leave provision	920 458	565 706
	<u>7 620 320</u>	<u>1 093 191</u>

7. REVENUE

Fee Income	10 057 546	7 004 690
Government grants received	18 000 000	18 000 000
	<u>28 057 546</u>	<u>25 004 690</u>

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH (continued)

	<u>2015</u>	<u>2014</u>
	N\$	N\$
<u>8. INVESTMENT REVENUE</u>		
Interest revenue		
Bank	1 320 992	1 249 705
<u>9. CASH GENERATED FROM OPERATIONS</u>		
Profit/Loss before taxation	(396 640)	(634 007)
Adjustments for:		
Depreciation and amortisation	630 606	854 027
Interest received	(1 320 992)	(1 249 705)
Finance cost	-	-
Changes in working capital:		
Trade and other receivables	167 404	277 210
Trade and other payables	6 527 129	195 679
Unknown adjustment	-	(50 180)
	<u>5 607 509</u>	<u>(606 976)</u>
<u>10. COMMITMENTS</u>		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	3 172 184	2 811 053
- in second to third year inclusive	6 832 670	3 935 474
	<u>10 004 854</u>	<u>6 746 527</u>

Operating lease payments represent rentals payable by the Commission for certain of its properties. The lease was negotiated for a term of three years and rentals are fixed for the three years. No contingents are payable.

NAMIBIAN COMPETITION COMMISSION
NOTES TO THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH (continued)

11. CAPITAL RISK MANAGEMENT

The Commission is not exposed to capital risk.
There are no externally imposed capital requirements.

Financial risk management**Liquidity Risk**

The Commission's risk to liquidity is a result of the funds available to cover future commitments. The commission manages liquidity risk through an ongoing review of review of future commitments and facilities.

Interest Rate Risk

The Commission is not exposed to interest rate risk.
As the Commission has no significant interest bearing assets, the commission's income and operating cashflows are substantially independent of changes in market interest rates.

Credit Risk

Credit Risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The Commission only deposits cash with major banks with high quality credit standings and limits exposure to any one counter – party.

Foreign exchange risk

The commission is not exposed to foreign currency exchange risks.

NAMIBIAN COMPETITION COMMISSION
DETAILED INCOME AND FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR
ENDED 31 MARCH

	Note(s)	2015	2014
		N\$	N\$
Revenue			
Fee Income		10 057 546	7 004 690
Government grants received		18 000 000	18 000 000
	7	28 057 546	25 004 690
Other Income			
Interest received	8	1 320 992	1 249 705
Operating expenses			
Accommodation & meals		(400 514)	(441 916)
Advertising		(1 258 490)	(1 977 198)
Bank Charges		(38 619)	(44 863)
Cleaning		(91 371)	(43 826)
Board seating fees		(322 240)	(356 349)
Computer expenses		(250 361)	(158 829)
Consulting and professional fees		(1 715 750)	(1 168 419)
Depreciation, amortisation and impairments		(630 606)	(854 027)
Donations		(48 090)	(46 456)
Employee costs		(17 299 070)	(13 621 961)
Entertainment		(17 095)	(33 210)
Insurance		(93 029)	(99 882)
Lease rental on operating lease		(3 014 602)	(2 811 053)
Legal fees		(476 172)	-
Library Materials		(16 646)	(32 883)
Motor vehicle expenses		(39 669)	(42 562)
Postages		(6 976)	(4 196)
Printing and stationery		(372 257)	(468 010)
Repairs and maintenance		(207 920)	(245 410)
Security		(4 575)	(5 450)
Staff relocation		-	371
Office consumables		(252 660)	(213 331)
Subscriptions		(102 018)	(197 630)
Subsistence and travelling		(322 167)	(265 741)
Telephone and fax		(509 917)	(463 342)
Training		(1 405 008)	(2 428 519)
Transport expenses		(631 319)	(680 414)
Water & Electricity		(248 037)	(183 296)
		(29 775 178)	(26 888 402)
Surplus/(loss) for the year		(396 640)	(634 007)





“ Inklusivity and Diversity Management
is key to Commission’s Organisational
Success ”



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