



**OPENING REMARKS BY MR. WANG'OMBE KARIUKI,
DIRECTOR-GENERAL, COMPETITION AUTHORITY OF
KENYA, DURING THE EVENT TO MARK THE WORLD
COMPETITION DAY AT THE SAFARI PARK HOTEL,
NAIROBI, DECEMBER 4, 2014.**

Mr. Henry Rotich, Cabinet Secretary to the National Treasury,

Mr. David Ong'olo, Chairman of the Board of the Competition Authority

Board Members

My fellow Colleagues, CEOs, present,

Business Community; Consumer Groups, and Legal Firms,

All Protocols Observed,

Ladies and Gentlemen.

1. I wish first and foremost to relay my heartfelt appreciation, **to all of you**, on behalf of the Authority for finding time to attend this event of marking the World Competition Day. We count you as our dependable partners in this journey.
2. In particular, the presence of the Cabinet Secretary to The National Treasury today, continues to manifest his personal and the Government's commitment towards deepening

competition regulation in our country, to the benefit of our fellow citizens.

3. **Bwana Waziri**, I feel ably motivated to recognize the role you played, in your past engagement in the Economic Affairs Department of The Treasury, in the process of repealing the then competition regulatory framework: *The Restrictive Trade Practices Monopolies and Price Control Act*. This led to the enactment of the current modern regulatory framework: The Competition Act No.12 of 2010.

4. **It** is with your relentless support, that we were able to advise on the enactment of the Competition Act, which created the Competition Authority of Kenya.

We are glad to state that the Act provides for the salient features of any effective regulatory competition regime, which includes mergers regulation; restrictive trade practices and abuse of dominance control. Also, it recognizes that there exists an obvious synergetic nexus between competition regulation and consumer protection. Hence it provides also for consumer protection specifically in areas of

mis-representation; quality; safety and unconscionable conduct in regard to goods and services produced.

5. **Bwana Waziri**, as you are aware, effective competition regulation is expected to enhance our welfare, as the citizens of Kenya. This is because it is expected to lead to: - increased efficiency in the production, distribution and supply of goods and services; ensure sustained innovation; create an environment conducive for investment and promote the

competitiveness of our national undertakings in the global markets.

6. Towards achieving this said critical mandate, the Authority has identified key strategic themes. These are:-

- (i) Enforcement of competition and protection of consumers;
- (ii) Research, advocacy and awareness creation;
- (iii) Mobilization and optimal utilization of resources;

(iv) Infrastructure and Human Capital Development,
and;

(v) Visibility and corporate image

7. Therefore, the activities for the Authority have evolved around these themes, cognizant of the available resources and demonstrable impact to the achievement of the Government's transformational agenda as envisaged in *Vision 2030*.

8. **Bwana Waziri**, the Authority has generally endeavored to make strong contribution to the Government's economic

agenda, while continuing to provide services efficiently to its clients and stakeholders. In doing this, the Authority has ensured that its performance targets are met, through employment of Result Based Management concept, coupled with Impact Assessment approach.

9. In the Authority, it is always our belief that our existence or presence is not what matters, what matters is the impact of our presence, to our stakeholders.

10. Guided by our core values, namely: - Customer focus; integrity; professionalism; impartiality; teamwork, innovation and creativity, the Authority has managed to handle an increased workload with a very lean but elite and motivated workforce.

11. For example during the year ending June 30th, 2014, the Authority analyzed and finalized 88 merger applications, compared to the previous year's 65; 23 restrictive trade practices (RTP), compared to 16 of the previous year; and; finalized 15 consumer cases, compared to the previous year's 6.

12. These included some precedent setting mergers, and also restrictive trade practices cases in the retailing and mobile money transfer markets. According to an impact assessment we undertook, with the support of The World Bank, the Authority's decision in the retailing restrictive trade practices case resulted to consumers' saving of up to 1million US dollars. While in the mobile money transfers market, we have experienced reductions of rates, in some bands, by about 67%.

13. This is quite beneficial to the poor consumers and also the government's efforts towards sharing prosperity.

14. **Mr. Cabinet Secretary**, we wish also to highlight that in the merger regime, the average period taken by the Authority for merger determination has been significantly reduced from the statutory 60 days to 42 days. We are aiming to reduce this further, as an initiative of facilitating investments through mergers as long as they are not resulting to concentrations in the market.

15. Efforts to deepen predictability and transparency in the Authority's enforcement mandate, which without doubt is of paramount importance to the investors, have been accelerated.

16. Towards this, the Authority has developed and employed various guidelines. This has also been supported by signing of interaction frameworks with the Central Bank of Kenya (CBK) and embarking on the process of concluding other frameworks with other sector regulators including the Communications Authority and the Kenya Civil Aviation Authority.

17. These cooperation frameworks are aimed at further strengthening the collaboration between our key regulatory partners in regard to sharing of information to inform our decision making.

18. To inculcate research as a fundamental function of informing better market outcomes, the Authority has entered into a collaborative arrangement with the University of Nairobi, School of Economics. This arrangement has the object of undertaking joint research activities in the area of competition regulation and also according a number of

students' internship in the Authority.

19. This initiative is being rolled out to all other willing universities.
20. **Bw. Waziri**, I have indicated earlier, the Authority has continued to inform the Government's economic agenda through undertaking of various research inquiries especially in the agriculture sector. This is mainly due to the importance of this sector to the economy.

21. **Research to inform enforcement and the required regulatory review, if any, in the banking sector has also been prioritized. This is because the sector acts as a major driver of investment climate in the country.**

22. **Specifically, in the agriculture sector, inquiries have been concluded in the seeds, Artificial Insemination and tea sectors. These inquiries were all aimed at identifying any competition constraints and consumer protection infractions within these sectors. Also, the studies were meant to identify any regulatory constraints that may be impeding the competition process in these sectors to the detriment of**

consumers and new entrants.

23. We expect to publish the findings of the inquiries in the seed and Artificial Insemination by January 15th, 2015. In regard to the Banking sector, we are scheduled to meet the Stakeholders on 10th of December, to share with them the findings of The Phase I of the inquiry.

24. **Bw. Waziri**, through a request from The National Treasury, which you directly relayed, the Authority is in the process of finalizing a Product Market Regulatory Indicative study

with regard to the regulatory regime governing the telecommunications; transport; retailing; energy and banking sectors.

25. The purpose of this study is to benchmark Kenya's regulatory regimes with the regimes in the developed economies and thereafter engage the relevant government stakeholders with the objective of modernizing the current regulatory frameworks.

26. In regard to the government's initiative of deepening regional integration, the Authority has actively participated in the review of the regional economic communities' competition regimes. A lot of progress has been made in the implementation of the East African Common Community Market Protocol specifically in regard to operationalization of the East Africa Competition Act.

27. It is expected that the Act shall commence by July 31st, 2015. This Act generally aims at prohibiting cross-border anti-competitive practices and concentrations.

28. In addition, with the support of The National Treasury, the Authority has continued to spearhead advocacy initiatives aimed at realigning the COMESA competition regulations with international best practices. This is especially in regard to setting of thresholds and other guidelines to enhance clarity, predictability and transparency under the regime.
29. We have witnessed progress towards this goal and we shall continue seeking the Government's support to fully achieve it.

30. As you all know, this is of paramount importance to our business community as they seek to expand legitimately in the region.
31. **Bw. Waziri**, the Authority views the business community as partners. We have not and we do not want to be intrusive.
32. However, we shall not be cheerleaders to instances of contravention of the law. The Authority shall, without any inhibitions, as we have done in the near past, deploy the available remedial measures provided for under the Competition Act, wherever infractions occur.

33. It is also important that all the stakeholders including the consumers and business community, take up their indispensable positions in facilitating effective competition regulation in the markets. The complaints and the evidentiary information we receive from them determine the direction and the speed of the Authority's activities.

34. **Nonetheless**, we are aware that there exists information asymmetries in regard to these stakeholders' rights. A scenario made worse by a weak culture of competition.

35. It is based on this reality that the Authority has embarked on awareness creation initiatives aimed at enhancing its visibility and also deepening the capacity of consumer lobby groups to achieve their objectives while at the same time educating the industry lobby groups, and their Members, to facilitate self-regulation.
36. **Mr. Minister**, today's event is one of these initiatives. The Day is marked to observe the adoption by the UN General Assembly of the set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices. These rules recognize that restrictive business

practices do impede, among others, competition; curtail efficiency and innovation; negatively affect social welfare and also disadvantage trade and development.

37. The marking of this Day is expected to express our commitment towards actualizing these principles and also creating awareness to the consumers and all other stakeholders, in regard to their rights, as provided for under the Competition Act.
38. **Bw. Waziri**, your participation in this event, has not only buttressed the Authority's enforcement agenda but also

manifested the Government's commitment in facilitating markets where forces of supply and demand determine the markets' equilibria.

39. To conclude, we wish to assure you that that this support takes the Authority's enforcement drive to a fast lane. It is my conviction that we shall be able to actualize the key fundamental functions of an effective competition regulation regime which will accelerate our speed towards the Authority's Vision of "*a Kenyan economy with globally efficient markets and enhanced consumer welfare for shared prosperity*".

40. With these remarks, it is now my humble duty to invite Mr. David Ong'olo, Chairman of the Competition Authority of Kenya, to make his remarks and invite you to deliver the **Keynote Address, Sir.**