

Press Release

World Competition Day 2016

On 5 December, Zambia will join 33 countries around the world in celebrating World Competition Day. All around the world, governments identify that a system of competition law is essential for the thriving operation of a market economy and the protection of consumers' interests.

The promotion of competition by various jurisdictions is a result of this realisation. In the 1990s, the Zambian government took a step in formulating a competition regime that is both protected by statute and promoted by supporting policies and institutions. The Competition and Consumer Protection serves the unique dual purpose to protect the competition process in the Zambian economy and also to protect consumers.

CUTS International, Lusaka, believes that there is a growing need for consumers and businesses to understand competition law and policies in order to avoid becoming victims of uncompetitive practices. In order for consumers and businesses to enjoy the maximum benefits of the economy, competition remains a key tenet of the market.

Competition is a process of economic rivalry between market players in order to attract customers. These market players can be multinational companies, domestic firms, wholesalers, and retailers, selling both goods and services.

Fair competition benefits consumers and the economy as a whole. It is also important to note that businesses themselves are also customers of goods and services therefore they too inherently benefit from and also need protection from anticompetitive practices of other businesses.

Fair competition is the adoption of fair means of operation by firms, such as producing quality products, becoming cost-efficient, optimising the use of resources, adopting the best available technology, investing in research and development.

Fair competition also means that the competitors should operate within the realms of the law and hence, companies are encouraged to adopt compliance programmes so that as they compete they are not found on the other side of the law.

Unfair competition is the adoption of unfair means such as fixing prices with the rivals, setting a price which is lower than cost in order to throw out competitors from the market, advertising that belittles others' products, engaging in exclusive arrangements with suppliers of raw materials to foreclose other competitors.

As we celebrate World Competition Day we encourage the government to keep an eye on market behaviour and use several tools to promote competition through various policies such as industrial, trade, labour and investment policies.

CUTS International, Lusaka also urges consumers and their representatives themselves to be alert to competition with the economy in order to keep the government as well as the competitive authority active in implementing competition rules.

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