

## Press Release

### Title: Competition Regime in Ghana: A Need of the Nation

5<sup>th</sup> November 2015 Accra, Ghana

“Competition regimes and consumer protection issues reinforce each other. Both aim to ensure wider consumer choice in the market for goods and services, through innovation and efficient resource use by players in the market to promote economic welfare.” Mr. Kofi Amenyah, the Director Legal of the Ministry of Trade and Industry, made these remarks during a keynote address on behalf of Dr. Ekwow Spio-Garbrah, the Minister for Trade and Industry, when the book, “*Why the Ghanaian Consumer Should be Interested in Competition Policy and Law*”, was launched at the recently held Workshop on the topic, “*Making Competition Regime Work for People*” in Accra by CUTS Accra.

The event was held to share the research findings from the Project, “Advocating for Functional Competition Regime for Ghana (COMPAD Project) in order to highlight the need for a functional competition policy and law in the country.

Currently Ghana does not have a comprehensive competition law. The Protection against Unfair Competition Act, 2000 (Act 589) seeks to fulfil this goal, however, it fails to regulate anti-competitive behaviors that generate a significant social cost, including loss of efficiency and innovation in the economy as well as higher prices passed onto consumers. CUTS is of the strong view that an enactment of a national competition policy and law will infuse a ‘level playing field’ in key markets and enhances the predictability and certainty in the market, thereby stimulating entrepreneurship and economic growth which becomes a win-win for both consumers and producers.

Justice Samuel Date-Bah, Retired Justice of the Supreme Court of Ghana and the Board Chair of CUTS Accra in his opening remarks reiterated the importance of a competition regime for the development of a nation’s economy. He lauded CUTS work in championing this topic. He said the meeting’s sole aim was to create a platform for key stakeholders involved in the nations policy and business arena to interact and develop the best options on how to aid the government of Ghana facilitate the process of drafting, and implementing an effective competition policy regime in the nation.

In the same vain, Mr. Rijit Sengupta, the African Regional Director for CUTS emphasized that a competition regime works in favour of consumers by ensuring their welfare. In his comments, Mr. Sengupta said that CUTS has developed the ‘*Framework for Competition reforms: A Practitioner’s Guidebook*’, to help facilitate greater interest and understanding in competition policy and law issues. The guidebook is geared towards both policymakers and key stakeholders in other sectors, in order to ensure that competition policy and law get the attention that it deserves.

In his presentation, Mr. Abubakari Zakari, lead researcher for the COMPAD project, mentioned some of the salient findings from the research. He pointed out that business membership and associations in various sectors of the country have profound influence on prices, quality and quantities of products. The report disclosed that associations sometimes allow member firms to form cartels which allow them to control prices or exclude entry of a new competitor in a market. Hence as a recommendation the government should ensure that the behaviours of associations should be monitored in order to prevent them from engaging in market distorting practices.

Also, it was revealed that many firms in Ghana are able to exploit consumers through high prices and controlled quantities for abnormal profits. These have become possible because the firms face little or no competition even in key markets. Furthermore, the high cost of capital in Ghana has been one of the

limiting factors that prevent entry of firms into markets thereby affecting entrepreneurship and job-creation.

Reacting to the research findings, Madam Mercy Needjan, the president of the Ghana Market Association, asserted that not all associations in the nation engage in price-fixing behaviours. She went on to explain further by stating that associations function to protect the rights of business operators. She however agreed that some associations may involve themselves in anti-competitive practices and hence the need for a regulatory authority to intervene in the market.

Contributing to the discussions, Mr. Nana Osei Bonsu, the Chief Executive Officer of the Private Enterprise Federation (PEF), echoed the importance of a competition policy to the private industries and said that Ghana is in urgent need of an autonomous authority to monitor anti-competitive practices in the business industries. He urged CUTS Accra to not only limit its advocacy agenda to the policy makers but also reach out to small and medium enterprises to educate them on the importance and benefits of a competition regime in Ghana.

Mr. Abrose Yennah from AIDEC Consult Ltd added his voice to the discussion by pointing out that the mandates of the proposed competition commission should seek to identify the essential policies needed in the economy to protect small businesses from being crowded out of the economy by large multinationals.

Mr. Kofi Datsa, The Director, Regulatory Administration Division of the National Communications Authority (NCA) commented on how important it was to have a Competition Commission as it makes the work of other regulatory agencies easier. He maintained that a functional separation enhances fair competition and that only comes about with a functional competition policy.

In his concluding remarks, Mr. Kofi Amenyah disclosed that the work on Ghana's competition policy started as far back as 1999. The trade ministry is hopeful that with the help of CUTS, as knowledge partner on the issue of competition and consumer protection the crusade would lead to a functional completion regime by the end of 2016.

The event was well attended by stakeholders from the Ministry of Food and Agriculture (MOFA), Ministry of Trade and Industry (MOTI), Institute for Statistical, Social and Economic Research (ISSER), Ghana Chamber of Commerce and Industry (GCCI), Private Enterprise Federation (PEF), Peasant Farmers Association, African Centre for Economic Transformation (ACET), National Road Safety Commission (NRSC), National Petroleum Authority (NPA), National Communications Authority (NCA), Ghana National Association of Small Scale Miners, National Pension Regulatory Authority (NPRA), Law and Development Associates (LADA), representatives from the Supreme Court of Ghana, the BUSAC Fund, the African Development Bank and the African Development Fund. Others included the Ghana Standards Authority (GSA), the Ghana Market Women Association and as well representatives from the Market Queen Associations and Maize Sellers Association of Ghana, Cities Alliance, and the Association of Oil Marketing Companies.

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Enclosure: Event Picture