

**KEYNOTE ADDRESS BY COMMISSIONER TEMBINKOSI BONAKELE AT THE 7th CHINA
COMPETITION POLICY FORUM HELD IN CHINA, BEIJING**

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Programme director

Honourable, Gan Lin, Vice-Minister of State Administration for Market Regulation (SAMR),
Commissioner and Secretary General of Anti-Monopoly Commission of the State Council

Our hosts, the Expert Advisory Committee of Anti-Monopoly Commission

Heads and representatives of various competition authorities here present

Distinguished guests

Ladies and gentleman,

I wish to thank Prof Nell Zhou and her team, as well as, the host for inviting us to this historic
7th China Competition Policy Forum.

The idea of convening this year's Competition Forum to review the decade under the theme:
'**Competition Policy in a New Era: 'Retrospect and Prospect...**' is appropriate because; 1)
China is a very important jurisdiction for competition policy given its large role in the global
economy; and 2) China is already making a significant contribution to the international
competition community through its decisions and international role; 3) There are many
questions being asked now about the role of competition policy in development, especially in
developing countries; and 4) the emergence of the digital economy. I will return to some of
these issues in time. I must first dispense with the official business: I would like to congratulate
the People's Republic of China on its 10 year anniversary of AML, and the consolidation
of its competition agencies into the SAMR.

It occurred to me that this is a year of anniversaries. In South Africa, the year 2018 marks 20
years (1998-2018) since the introduction of the new competition law in South Africa under the
Mandela government. Of course, two weeks ago the world was celebrating his 100th year
birthday. I invoke Nelson Mandela because the foundation of the relationship between China
and South Africa was the support China gave to South Africa during its struggle against
apartheid. It was also Mandela who established diplomatic relations with China 20 years ago.

As such, China is an important strategic partner to South Africa, both at a bilateral and
multilateral level, and in the competition area we have signed bilateral MoUs as well as a
multilateral agreement we signed as BRICS competition authorities. Our cooperation remains
strong and firmly focused on shaping a global competition agenda that respond to challenges
of developing nations. We consider your newly reconstituted authority, the State
Administration for Market Regulation (SAMR), a dependable ally in this endeavour.

Last month we had the pleasure of hosting an SAMR delegation led by Vice-Minister Tang
Jun, and we discussed the future cooperation under the new authority as various matters to
strengthen the effectiveness of our agencies.

Last week, South Africa hosted the 10th BRICS Summit under the theme: '**BRICS in Africa:
collaboration for inclusive growth and prosperity in the 4th industrial revolution**'. Among
other things, as BRICS countries we reinforced our abiding attitude towards:

1. Industrial competitiveness.
2. Our commitment to upholding multilateralism and to working together on the implementation of the 2030 Sustainable Development Goals.
3. The establishment of the Digital Economy Working Group within the framework of BRICS Business Council.
4. Our conviction that trade and technology are vital sources of inclusive growth, including through economic integration and consolidation of global value chains in sustainable and equitable ways.

BRICS is very important for our countries. It has already made strides in the areas of trade and development finance. In the area of competition law, we have an MOU that outlines among other things, Working Groups in various areas such as food value chains. It is also in this context that we have emerging scholarship focused on developing countries.

I must also mention that South Africa is privileged to chair the African Competition Forum. The ACF is a network of African competition authorities established in 2011 with the main purpose of promoting competition in Africa. The milestone of a decade of 'anti-monopoly law enforcement in China' is quite a great achievement indeed, I carry good wishes from all over Africa on this historic occasion.

The importance of a 'developing country perspective'

The main purpose of competition policy and law is to preserve and promote competition as a means of ensuring the efficient allocation of resources in an economy. For a long time the dominant view, influenced by the Chicago school of economics, has been that this goal of competition policy is solely about efficiency and should not concern itself with the distributional effects of competition policy. However, with rising concentration and widely acknowledged rising inequality, the era calls for broader perspectives to competition policy or concern itself with structure. Competition law is not value neutral, not just technical, but social too. We have to look at the role market power plays to reinforce inequality and further concentration. We have to ask about the effectiveness of merger regulation, when we continue to approve mergers even as they lead to two or three firms controlling the global market and, because we are all inward looking we have to emphasise the greater responsibility of big jurisdictions especially in merger regulation, otherwise, no one will look into global concentration. And we have to work with our governments to remove competition restrictions, in full appreciation of competing policy goals.

We should continue to insist on competition regimes that take into account our real lived experiences as developing countries and continue to champion this perspective at multilateral platforms. Market competition is an important determinant of economic development. However, the exact mechanism through which competition and hence competition policy affects growth and sustainable development is not without nuances. Factors such as the availability of capital markets, quality of infrastructure, predominance of specific sectors and income levels all combine to influence competition dynamics. These differ strongly not only between developed and developing countries, but also within developing ones.

Competition policy and the digital economy

Programme director, I now turn to the most complex and yet exciting area: the rise of the digital economy and implications for competition policy.

How do we analyse market power and the competitive process in the case of digital platforms. Although there is a rapidly expanding theoretical literature on this matter, there is not yet a consistent analytical framework, and scant empirical evidence about the market and consumer welfare effects of the platforms (see for example surveys by Coyle, 2016; Auer and Petit, 2015).

Scholarship in this regard is falling behind the rapid developments in this crucial area. The earliest notable literature dates back only to about 2003. Indeed it might be considered too early to expect the research to have translated into agreed, practical competition policy tools. Unfortunately, the need on the part of antitrust authorities is urgent.

These challenges call for a much deeper understanding of these markets, which can be easily achieved through collaboration in research and enforcement. The BRICS competition forum allow us to look into these matters, and thereby enrich perspectives through our lived experiences.

In conclusion, the challenges of unequal distribution in a globalising world, rising concentration and skewed market power; require that we work together to ensure that developing countries and the majority of people around the world are not again marginalised as we move more rapidly towards the fourth industrial revolution.

I thank you.