



AFRICAN COMPETITION FORUM

FORUM AFRICAIN DE LA CONCURRENCE



The African Competition Forum (ACF) notes the advent of the COVID-19 pandemic that has ushered in unparalleled universal social and economic pandemonium in recent history. As the coronavirus generally spreads globally, and in Africa in particular, freezing virtually all economies and with an ever-rising number of fatalities and health challenges, African competition authorities are confronted with one of the toughest challenges to their operations and enforcement activities.

In line with measures announced by respective governments to combat COVID-19, including the declarations of disaster and social distancing restrictions, the competition authorities had to effect business continuity plans to ensure delivery of services while safeguarding the health and safety of personnel. Some agencies have reprioritized their operations and moved deadlines for non-urgent programmes & enforcement, with personnel working remotely from home and all systems virtually automated.

Competition authorities, as part of their advocacy responsibilities, are also assisting their respective governments with regard to regulations and measures that facilitate business coordination to respond to the crisis, which ordinarily would be in breach of competition laws. This includes the healthcare sector coordinating on increasing the treatment capacity and supply of essential testing and treatment. It also extends to where a coordinated response is needed to the economic crisis, such as debt repayment and rental holidays by banks and retail property owners. It is necessary to accommodate such collaboration between competitors in order to minimise the impact of the crisis on the citizens.

While citizens were overwhelmed by panic and fear brought about by the declaration of disaster and lockdowns aimed at containing the spread of the virus, reports of an upsurge in prices of essential items and food stuff began to emerge. This is the result of some unscrupulous retailers and suppliers who wish to cash in on the calamity by charging exorbitant prices for essential products, in particular face masks and hand sanitizer, but also essential food products ahead of lockdowns.

This has meant that some competition authorities had to join the frontline and aggressively fight price-gouging and excessive pricing. This has required fast track action to stop the exploitative conduct and deter other businesses from following suite. Various remedial actions are being taken against suppliers and firms found to be contravention of competition laws, including fines and/or donations to relief efforts. In this time, consumers play an important role in assisting to identify and report price gouging by retailers.

Aside from enforcement measures, there has been proactive engagement with the grocery retailers, food companies, fresh produce markets, hygiene suppliers and chemical companies to curb unreasonable price increases for the duration of the lockdown period and report any price gouging by distributors/suppliers.

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