

COMPETITION AND CONSUMER AUTHORITY (CCA) OF BOTSWANA: EMPOWERING SME'S

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1. PRESENTATION OUTLINE

1. Genesis of Competition Policy in Botswana
2. SMEs and Removal of Barriers
3. SMES and Consumer Protection
4. Conclusions
5. Q & A

Presentation

DEVELOPMENT OF COMPETITION POLICY IN BOTSWANA

- **Economic Mapping Survey (2002)**
- **National Competition Policy for Botswana (2005)**
- **Competition Act 2009**
- **Competition Act 2018 and Consumer Protection Act 2018 as Revised**

SMEs and Competition Law

Competition Policy provides a framework to prevent and redress anticompetitive practices and conduct by firms and to create a business friendly environment that encourages competition and efficient use of resources.

The removal of constraints in the market creates opportunities for SME's in the value chain.

REMOVAL OF BARRIERS

- **Resale Price Maintenance Case against Major Retail Wholesalers led to Small General Dealers being able to make independent price decisions to grow their businesses instead of big business determining their price structure.**

SME's ENTRY INTO MINING

- **Entry into mining machines and equipment was the preserve of big business. Entry barriers were removed and other businesses including SME's entered the market.**

SMEs in BIDDING MARKET

- **CCA intervened in over 20 cases where Government tenders had restrictive clauses that prevented SME's participation. The tenders were withdrawn and redrafted to allow for a competitive process that gave SME's access.**

SME ENTRY –ELECTRICITY SECTOR

- **Technical Maintenance in the national power utility was the preserve of long established companies and could not be accessed by emerging start-ups. When the CCA removed this barrier SME's accessed this market.**

SMEs & SHIPPING CONTAINERS

- **At the height of Covid 19 restrictions many SME's were slapped with overcharges for late collection and storage fees. CCA intervened and the fees were scrapped off.**

MERGERS & SMEs

CCA uses merger control public interest provisions to facilitate empowerment of SMEs by imposing SME focused conditions:

- 1. Tourism Merger- Procurement of supplies to be sourced from the community.**
- 2. KFC Merger- inputs to be sourced locally and this boosted SMEs**
- 3. Petroleum Energy Merger- Facilitated SME participation in the downstream market.**

Consumer Protection Law and SME's

- **SMEs are the largest sector and first interface with consumers.**
- **Most Consumer Complaints come from SMEs.**
- **SMEs need training and education on consumer complaint handling; quality service, customer retention.**
- **SMEs generally refuse to allow exchanges, returns and refunds.**

SMEs & CONSUMER PROTECTION

- **RIGHTS AND RESPONSIBILITIES OF CONSUMERS TRAINING**
- **OBLIGATIONS OF ENTERPRISES TO CONSUMERS INCLUDING:**
 1. **Right to return, refund, exchange and right to complain and to be educated on products.**
 2. **To be given information about prices, risks, labels, expiry and used goods**
 3. **The obligation to explain contract terms in the language consumers understand.**

CONCLUSIONS

- **Although the CCA is not explicitly clothed with the responsibility to empower SMEs; in a developing economy the charge to grow the economy is onerous.**
- **There can never be a competitive economy without SME participation; neither can there be a meaningful consumer welfare if SMEs do not serve consumers well, offer quality service and retain customers.**

Q & A





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