

**Economic and Social Commission for Western Asia (ESCWA)**Thirty-first session  
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**Economic governance: market competition challenges  
in the Arab region****Summary**

Arab economies have been going through challenges for years, for reasons including shortcomings in providing a fair playing field for all market participants. The full macroeconomic potential gains of competition laws in countries where they are enacted are still not visible as many structural and governance challenges persist. To maximize those gains, the Economic and Social Commission for Western Asia (ESCWA) has been working to support member States in improving market competition and governance.

The present document examines the main challenges that hinder effective market competition and adequate competition law and policy implementation. It first provides an overview of the market structure in Arab economies, then zooms in on the gaps and strengths of the current competition laws in Arab countries and highlights the interlinkage of competition, anti-corruption and good governance. It finally provides policy recommendations to enhance competition in the region.

The Commission is invited to review the contents of the present document and make recommendations on ways to improve competition in Arab economies.

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## Introduction

1. Market competition is an engine for economic development and has a significant role in increasing the overall competitiveness of countries, promoting economic growth, creating more productive employment and reducing poverty. Competition law and policy achieve a level playing field between all enterprises, pushing businesses to innovate, efficiently produce and expand, thus contributing to efficient business environments. Removing barriers that protect entrenched elites and reducing opportunities for corruption allow different enterprises to enter the market and fairly compete to attract and enlarge their customer base. Doing so is essential in order to create economic opportunities, attract domestic and foreign investment and boost consumer welfare by lowering prices, improving service and expanding choice.

2. Over the last two decades, most Arab countries have adopted some form of legislation aiming to prevent monopolistic and anti-competitive practices to ensure a more competitive market environment as part of their legal and economic reforms.<sup>1</sup> However, these laws face multiple challenges that hinder their effective application, including the lack of clearly predefined competition-guiding goals or policies. In addition to the excessive exemptions that limit the practical implementation of competition law in many vital economic sectors, there is a lack of a culture of competition, and business networks are often a tangle of family relations and connections.<sup>2</sup>

### I. Market structure in the Arab region

3. Most countries in the Arab region have relatively small markets. However, these markets have been going through many challenges regarding performance and structure due to multiple factors. Despite the many efforts toward liberalization, many Arab countries are still characterized by a high level of dominance in multiple sectors, where market competition operates under a weak or fair institutional framework with uneven rules for market players due to the significant size of the informal sector and to State dominance. The private sector, which primarily consists of micro, small and medium enterprises, still faces many challenges in driving competitiveness in Arab countries that rely upon the many State-owned enterprises (SOEs).

#### A. Public sector

4. For decades, the public sector has dominated several vital industries in the region, such as oil, gas, electricity and telecoms, in the form of SOEs. Their creation is linked to multiple factors, such as the lack of incentives for the private sector to perform certain activities and the high natural barriers to market entry. Many SOEs played an essential role in State formation, being responsible for supporting industrial and social development.<sup>3</sup>

#### **Box 1. SOEs in the Arab region: Burden or driver of development?**

Some SOEs in the region show outstanding performance and efficiency. Saudi Aramco's role has grown from that of a national oil company to that of a national development agency. The company is viewed as a source of competitiveness and has been undertaking development projects in recent years. For example, the 2006 establishment of the King Abdullah University of Science and Technology, a new high-profile university, was planned and executed by Aramco. Many of Aramco's former managers have taken senior positions in the Saudi Government, like in the General Investment Authority and the Saudi Railways Organization. It was also behind the construction of the Jeddah football stadium, research in upstream and renewable energy technology, the provision of many SME support programmes and the establishment of a new industrial city in the country's south.

*Source:* OECD, *State-Owned Enterprises in the Middle East and North Africa: Engines of Development and Competitiveness?* (Paris, 2013).

<sup>1</sup> See <https://www.unescwa.org/publications/arab-business-legislative-frameworks>.

<sup>2</sup> E/ESCWA/EDID/2016/Technical Paper.2, p. 3.

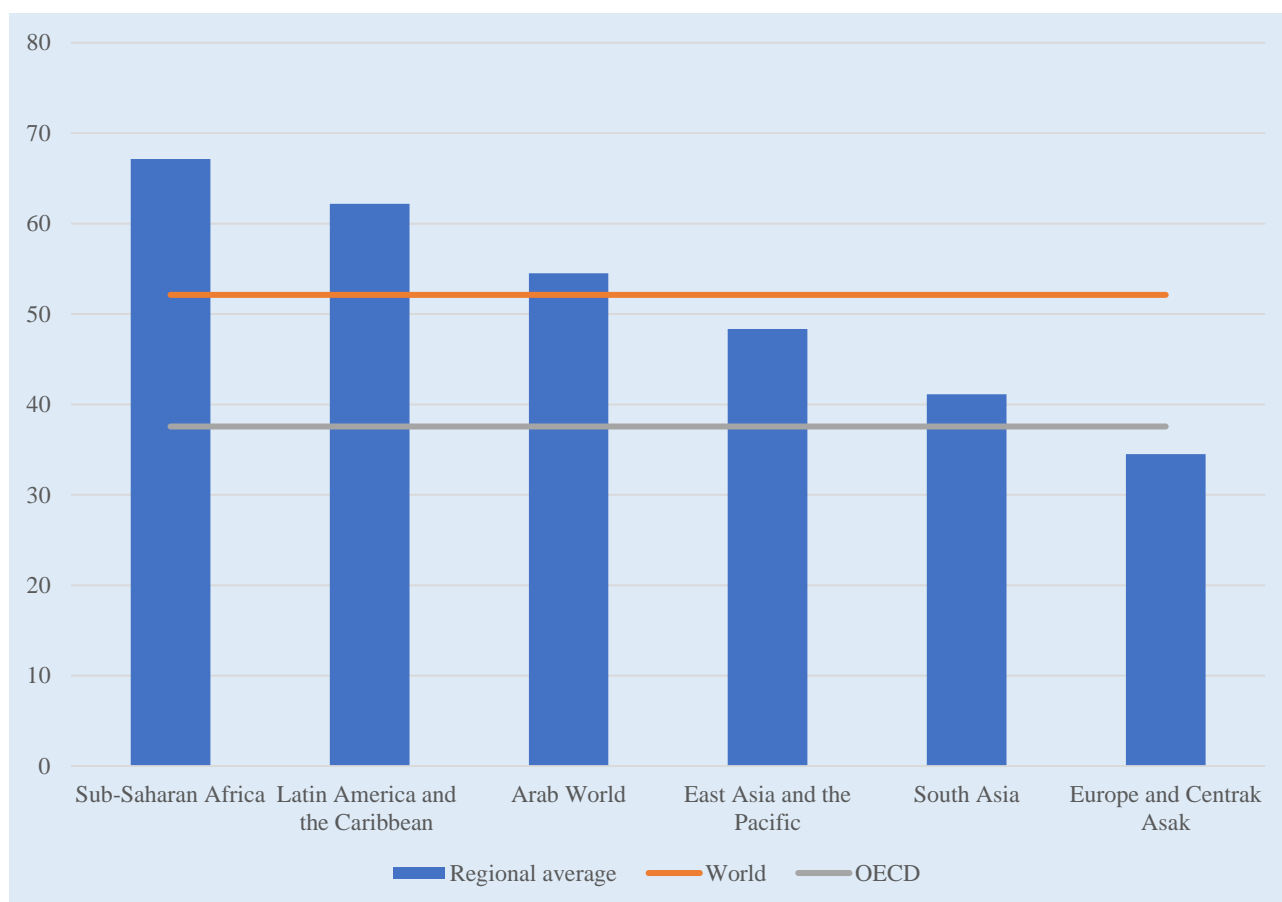
<sup>3</sup> Organisation for Economic Co-operation and Development (OECD), *State-Owned Enterprises in the Middle East and North Africa: Engines of Development and Competitiveness?* (2013). Available at [https://www.oecd-ilibrary.org/governance/state-owned-enterprises-in-the-middle-east-and-north-africa\\_9789264202979-en](https://www.oecd-ilibrary.org/governance/state-owned-enterprises-in-the-middle-east-and-north-africa_9789264202979-en).

5. Some Arab Governments currently see SOEs as a source of competitiveness instead of a mechanism for protecting infant industries, which was often their primary role as nation-building instruments. This change in perspective results from remarkable economic performance in some cases, especially among Gulf-based SOEs, which have benefited from subsidies and exemptions from national regulation, including competition law. However, in many cases SOEs burden the public budget and crowd out private investment when they operate in the same sectors as private businesses. In most Arab countries, SOEs can be found as competitors of private businesses or as oligopolies or monopolies in sectors such as telecoms, finance, electricity, oil and gas, transport, consumer goods, construction, real estate and infrastructure. Overall, most SOEs in the region are characterized by low productivity and difficulties in competing with private sector players in terms of innovation.

## B. Informal sector

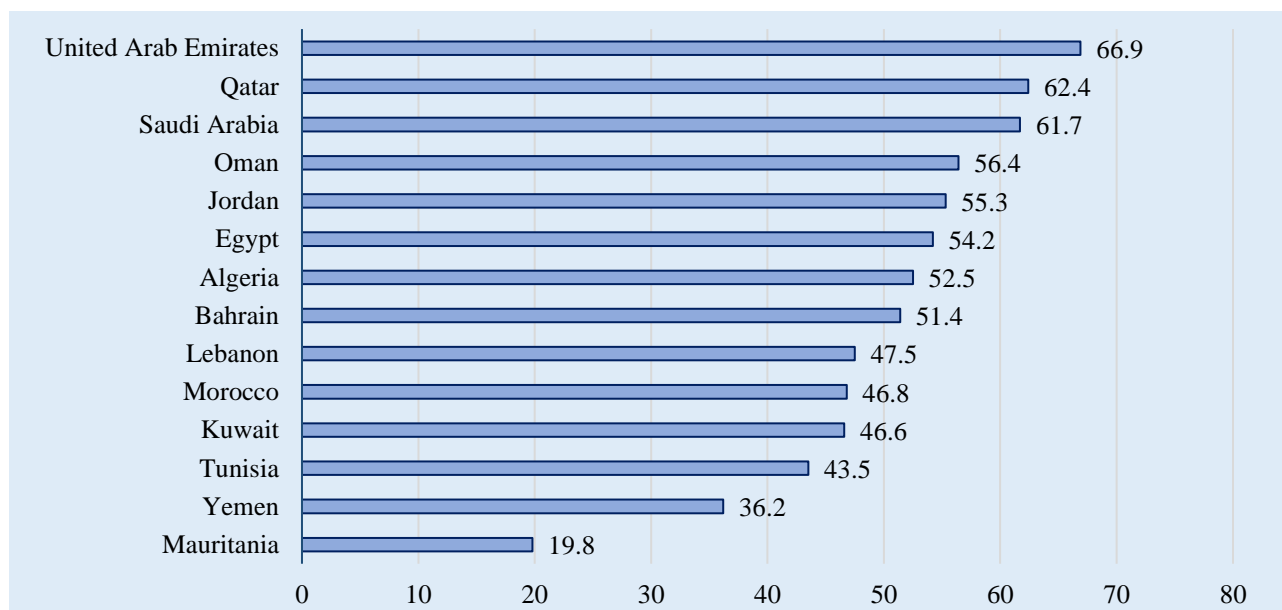
6. Informality is a significant phenomenon that hinders fair market competition. Informal firms can put major competitive pressures on legal firms and shrink their market share. The informal sector can also be quite competitive, as there are low barriers to market entry, opening the doors for many informal firms to compete in an unregulated market.<sup>4</sup> According to the World Bank Enterprise Survey, 54.5 per cent of firms in the Arab region competed against unregistered or informal firms in 2019 – a percentage slightly above the world average (figure 1). This percentage highlights the significant size of the informal economy in the region.

**Figure 1. Firms competing against unregistered or informal firms, 2019 (Percentage of firms)**



Source: World Bank, Enterprise Surveys 2019 (<http://www.enterprisesurveys.org/>).

<sup>4</sup> OECD, *Competition Policy and the Informal Economy* (Paris, 2009).

**Figure 2. Extent of market dominance in 2019 (Score 0-100)**

Source: World Economic Forum, The Global Competitiveness Report 2019.

### C. Private sector

7. The private sector in most Arab economies is composed of a majority of micro, small and medium enterprises (MSMEs) and a few large ones. Small- and medium-sized enterprises (SMEs) account for over 90 per cent of all business, and their contribution to gross domestic product (GDP) can range from 4 per cent to 40 per cent depending on the country.<sup>5</sup>

8. MSMEs compete with a few large private companies and SOEs. However, certain market dynamics render MSMEs particularly vulnerable when competing with larger enterprises. These dynamics range from lower access to credit than larger firms enjoy, low regulatory knowledge and difficulties in compliance, leading to an uneven playing field for smaller companies and preventing many firms from entering the market and investing in innovative projects. Furthermore, new market dynamics have been triggered as a result of the COVID-19 pandemic, including the shift towards business digitalization and the growth of the online market, which have given rise to new forms of anti-competitive behaviours that need special consideration in competition law and policy as these online markets tend to have a high market concentration of large players.

9. However, the extent to which certain firms dominate the market varies dramatically between Arab countries: a small number of conglomerates dominate economies in the least developed countries (LDCs) like Mauritania and Yemen, where markets generally include fewer participants. In contrast, market shares are spread among a significant number of firms in high-income countries such as the Gulf Cooperation Council (GCC) countries (figure 2).

10. Furthermore, in view of the sizeable public sector in the Arab region, large enterprises, often State-owned, receive preferential treatment in the form of tax deductions or exemptions from competition laws.<sup>6</sup> This creates natural barriers to trade and market entrance barriers for less established and start-up firms, further limiting competition and hindering the development of a vibrant private sector.

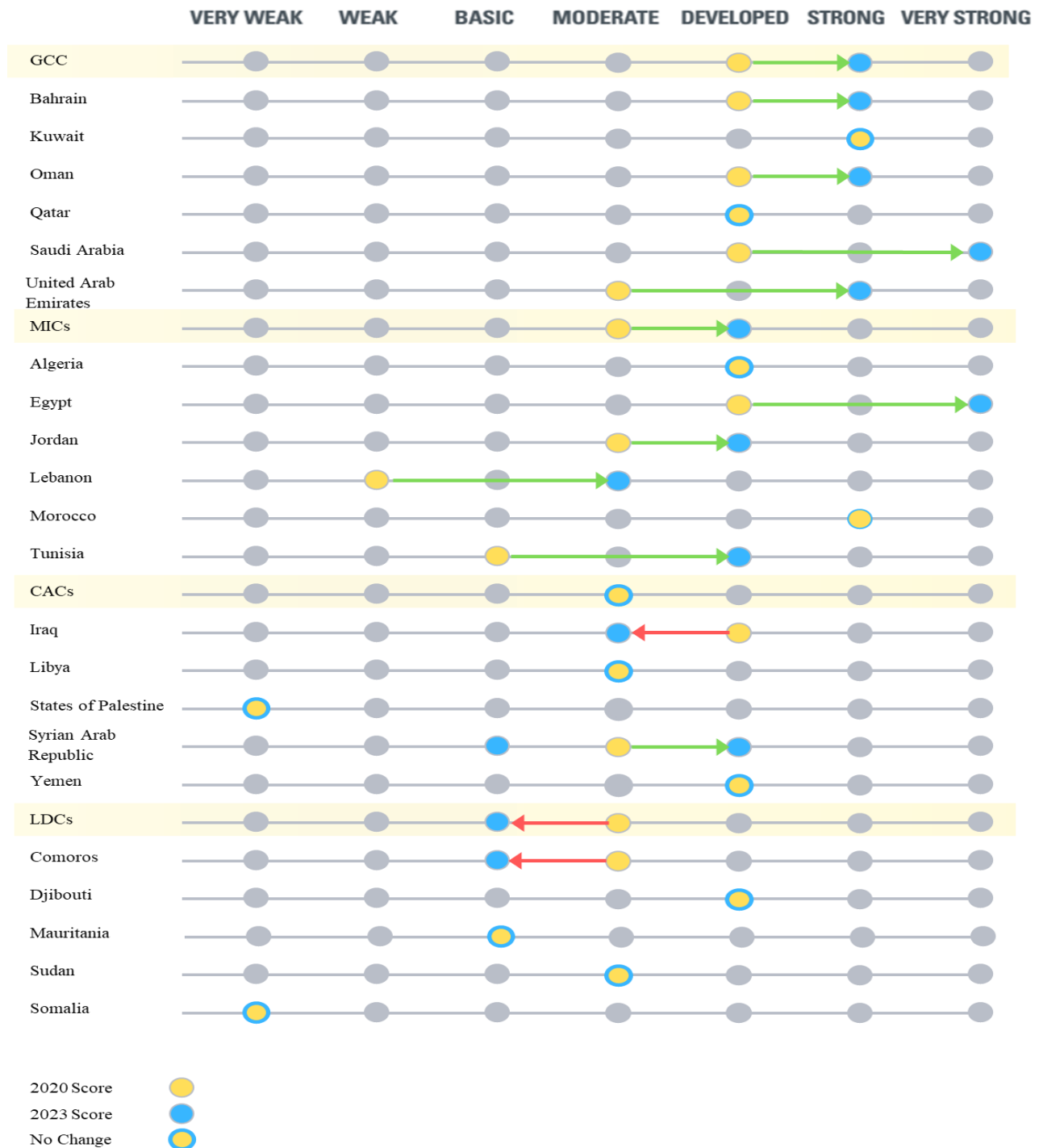
<sup>5</sup> International Monetary Fund (IMF), “Enhancing the role of SMEs in the Arab world — Some key considerations”, *IMF Policy Papers* (November 2019).

<sup>6</sup> Ibid.

## II. Competition law in the Arab region

11. In the past three decades, many Arab countries adopted some form of legislation on competition, aiming to deal with anti-competitive and monopolistic practices and achieve a competitive environment. The drivers behind these laws varied between countries. However, external pressures such as trade agreements motivated many Arab countries to reform their legal regimes and adopt competition laws.

**Figure 3. Overview of the legislative framework for competition by country, 2023**



Source: New evaluation by the United Nations Economic and Social Commission for Western Asia (ESCWA) of its report entitled “Arab Business Legislative Frameworks”, which will be issued at the end of 2023.

12. In 2021, ESCWA launched the [Arab Legislation Portal](#), a platform that provides access to regulations in the region pertaining to anti-corruption, competition, consumer protection and foreign direct investment. ESCWA also released a report entitled “Arab Business Legislative Frameworks”, which provides a holistic assessment of competition laws of Arab States using 57 indicators that compare Arab competition laws to international best practices.<sup>7</sup> In 2023, ESCWA amended the “Arab Business Legislative Frameworks” report in line with the major changes taking place in Arab markets. These changes made it necessary for Arab countries to amend existing competition laws or adopt new competition laws. After conducting a new evaluation of competition laws for 2023, the main results showed that competition legislation in the Arab region had progressed and was now classified between developed and strong (figure 3). However, many loopholes related to law enforcement and market regulation still pose serious challenges to achieving competitive and healthy Arab markets.

#### **A. Existence of competition laws/decrees**

13. The four Arab subregions have moderate to very strong competition laws and decrees as shown in figure 3. However, LDCs and Mashreq countries lag behind the other two subregions, with the State of Palestine and Somalia lacking official competition laws altogether. The State of Palestine has been in the process of drafting a competition law since 2003. The Comoros and Iraq have no national legislation related to mergers. In addition to the absence of general competition laws and competition-related laws in some cases, LDCs and Mashreq countries have on average the lowest performance in defining, implementing and enforcing existing laws. All GCC countries have national laws that mirror, govern and regulate competition, and deal with monopolies, cartels and merger control. Lebanon approved its first competition law in March 2022. In December 2022, Egypt approved fundamental amendments to the competition law targeting the work of the Competition Authority, especially in terms of assessing economic concentrations. In addition, the Egyptian Government has adopted a policy of competitive neutrality, which will enhance fairness among all companies competing in the market. In the Maghreb region, no new infringements of competition laws have been recorded, although competition councils in Algeria, Morocco and Tunisia have begun to render decisions and enforce laws more effectively.

#### **B. Existence and clarity of definitions in competition legislation**

14. In many Arab countries, the definitions of some concepts under competition legislation are absent or vague. Some LDCs and Mashreq countries do not clearly define cartels, monopolization, dominance, abuse of dominance and other such terms. Jordan, Mauritania, Morocco, the Sudan and the Syrian Arab Republic have gaps in their competition laws regarding some definitions, whereas GCC countries have the clearest definitions in the region. In addition, GCC countries, especially Bahrain and Qatar, have streamlined concise competition laws that reflect international criteria. Maghreb countries have developed clear competition laws in terms of their legal definitions. All told, the lack of clear definitions in the competition laws of many Arab countries can limit authorities’ power to regulate competition.

15. Laws and regulations covering competition should include the following key points: prohibitions against anti-competitive agreements, abuse of dominance, anti-competitive mergers and cartels, giving clear powers to competition law enforcement institutions, removing restrictions to starting new businesses, deregulation for international trade agreements, liberalization and competition intervention in regulated sectors.<sup>8</sup> The majority of competition laws in Arab countries do cover these areas, but weak enforcement deters the effective

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<sup>7</sup> The indicators were based on OECD New Indicators of Competition Law and Policy (2013), the United Nations Conference on Trade and Development (UNCTAD) Model Law on Competition (2019), and the United Nations Set of Principles on Competition (2000).

<sup>8</sup> According to the UNCTAD model law templates. Available at [https://unctad.org/system/files/official-document/tdrbpconf5d7rev3\\_en.pdf](https://unctad.org/system/files/official-document/tdrbpconf5d7rev3_en.pdf) and the OECD competition principles. Available at <https://www.oecd.org/daf/competition/46193173.pdf>.

implementation of competition provisions in many low- and medium-income countries in the region, and the many exemptions across different industries prevent the full gains of competition laws from being reaped.

### C. Exemptions in competition legislation

16. Governments often exempt specific sectors from competition law, such as oil and gas, electricity and telecommunications. Exemptions provide loopholes that those in positions of financial or political power exploit. For example, most tax exemptions benefit public utilities, State-owned businesses and sensitive sectors like defence. State-owned companies engage in economic activity, which puts them in a superior position compared with other companies, especially small and medium ones. For example, Kuwait exempts government facilities and projects from competition law, while Oman excludes research and development activities, which reinforces monopolistic behaviour in these sectors that engage in economic activity. In Jordan, the law lists examples of anti-competitive practices that constitute cartels, without clearly defining what a cartel is. Several Arab countries provide exemptions “for the general economic benefit”, without setting clear criteria, which makes this concept vague and easy to exploit.

### D. Competition agencies

17. Countries seeking to regulate competition must have autonomous institutions to enforce competition law. OECD emphasizes the importance of “effective, accountable, and inclusive institutions in promoting sustainable and equitable development”. On paper, all Arab countries, except the State of Palestine and Somalia, have existing institutions in their legislation. However, many of those institutions lack the autonomy and enforcement power (lack of tools/know-how to investigate) to implement and promote competition, which negatively affects competition. Weak or ineffective competition authorities immensely affect the enforcement of competition laws. ESCWA, through the “Arab Business Legislative Frameworks” report, already highlighted the importance of having an independent competition authority, which should not be a part of any ministry and/or under the supervision of the minister of trade and economy or any other minister. The table summarizes the current status of Arab States in terms of adopting competition laws and establishing competition authorities.

**Competition laws and competition authorities in the Arab region, 2023**

Country	Competition law	Date of enactment	Amendments	Competition authority
Algeria	Yes	1995	2003, 2008 and 2010	Yes
Bahrain	Yes	2018	-	Ministry of Industry, Commerce and Tourism
Comoros	Yes	2013	-	No
Djibouti	Yes	2008	-	Yes
Egypt	Yes	2005	2010, 2014, 2020 and 2022	Yes
Iraq	Yes	2010	-	No
Jordan	Yes	2004	2011–2023	Competition Directorate in the Ministry of Industry and Trade
Kuwait	Yes	2007	2012 and 2020	Yes
Lebanon	Yes	2022	-	No
Libya	Yes	2010	-	Yes
Mauritania	Yes	2000	2023	Yes
Morocco	Yes	2000	2014	Yes
Oman	Yes	2014	2018 and 2021	Yes



Country	Competition law	Date of enactment	Amendments	Competition authority
State of Palestine	No	-	-	No
Qatar	Yes	2006	-	Yes
Saudi Arabia	Yes	2004	2014 and 2019	Yes
Somalia	No	-	-	No
Sudan	Yes	2009	-	Yes
Syrian Arab Republic	Yes	2008	-	Yes
Tunisia	Yes	1991	1995, 2003, 2005 and 2015	Yes
United Arab Emirates	Yes	2012	2014	Ministry of Economy – Competition Department
Yemen	Yes	1999	-	Yes

Source: ESCWA Arab Legislation Portal. Available at <https://alp.unescwa.org>.

18. Since the publication of the first ESCWA Arab Business Legislative Frameworks report, competition authorities in many Arab countries, such as Algeria, Egypt, Kuwait, Morocco, Oman, Saudi Arabia and Tunisia, have recorded effective applications of the law in their markets. The application of competition law includes: conducting market studies to determine the level of competition and reveal the existence of monopolies and cartels; assessing and evaluating economic concentrations; and issuing clarifying decisions regarding the application of the law. The following is a review of some decisions issued by competition authorities and courts in Arab countries.

### Box 2. Decisions of competition authorities

#### General Authority for Competition of Saudi Arabia

- On 10 April 2023, after investigation, research, evidence gathering and interrogation, the General Authority for Competition issued a decision to fine 14 cement companies for violating article four of the competition law by agreeing to raise prices simultaneously and share markets. The Administrative Court of Appeal in Riyadh rejected the lawsuits filed by the companies to challenge the General Authority for Competition's decision against them.
- On 30 July 2023, the Administrative Court of Appeal in Riyadh ratified the decision issued by the General Authority for Competition imposing a penalty on a company for abusing its dominant position in the market by controlling the market supply of bran commodity and selling a very limited quantity of it, which restricted trade in this commodity and led to price control.

#### Egyptian Competition Authority

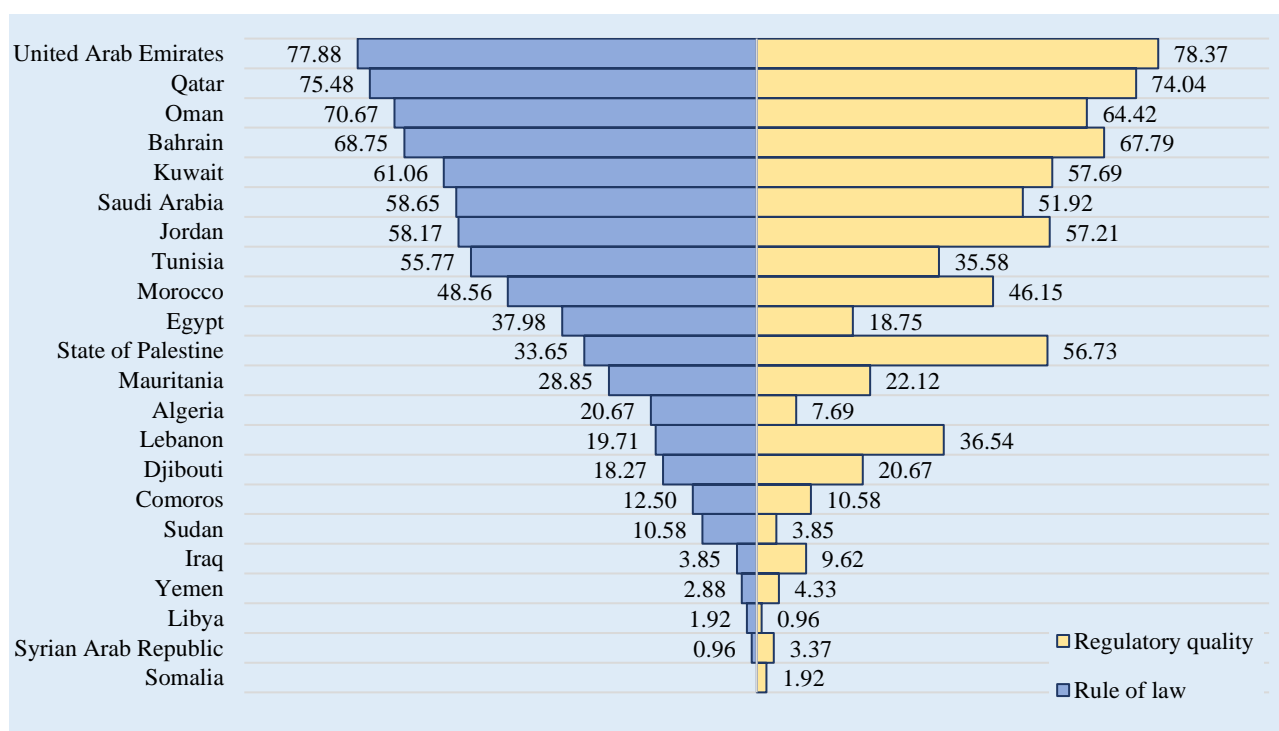
- On 29 July 2022, the Egyptian Competition Authority (ECA) issued a decision after investigating the practices of four brokers working in the food market. It was proven that they were coordinating among themselves to set prices, which led to their significant increase and harmed consumers. Based on the results of the investigation, the ECA decided that these practices constituted criminal behaviour and were classified as monopolistic practices.
- On 26 May 2022, the ECA issued a decision on a violation of the competition law by an online food delivery company that abused its dominant position in the market, including an exclusivity clause in almost all of its contracts with restaurants, and also carried out actions restricting competition in the delivery services market.

### III. Competition, anti-corruption and good governance

19. Competition, in particular competition legislation enforcement, is strongly influenced by the rule of law, which defines the extent to which actors have confidence in adherence to the rules of society, especially the quality of the judicial system, police, contract enforcement and property rights. There is a good positive correlation between market organization and the rule of law. The actual implementation of Arab competition laws can be seen to a certain level within the regulatory quality score (figure 4), as it captures a Government's ability to frame and enforce policies and regulations that authorize and promote private sector development.<sup>9</sup> Despite many Arab countries' "moderate" or "developed" scores on the competition legislative frameworks (figure 3), actual enforcement may be lacking in many cases with politically connected incumbent firms, large players with dominant positions in the private sector or rent-seeking and cronyist behaviours by State-owned enterprises.

20. In addition, the high market concentration and oligopolistic structures across the region facilitate attractive rents that can be seized for private gain. The Corruption Perceptions Index (CPI) and the control of corruption indicator show great disparities across countries (figure 5). 16 Arab States scored below the CPI global average (43) in 2021,<sup>10</sup> mostly States that fail to implement anti-corruption measures and lack transparent data dissemination. Several Arab countries also score low on control of corruption. High levels of corruption often induce high barriers to entry in profitable markets and an uneven playing field, leading to higher prices, lower productivity and lower innovation. Therefore, corruption can directly be linked to market competition, potentially prompting monopolized and inefficient markets and rewarding anti-competitive and criminal behaviours.<sup>11</sup>

**Figure 4. Rule of law and regulatory quality in the Arab region, 2019 (Score 0 to 100)**



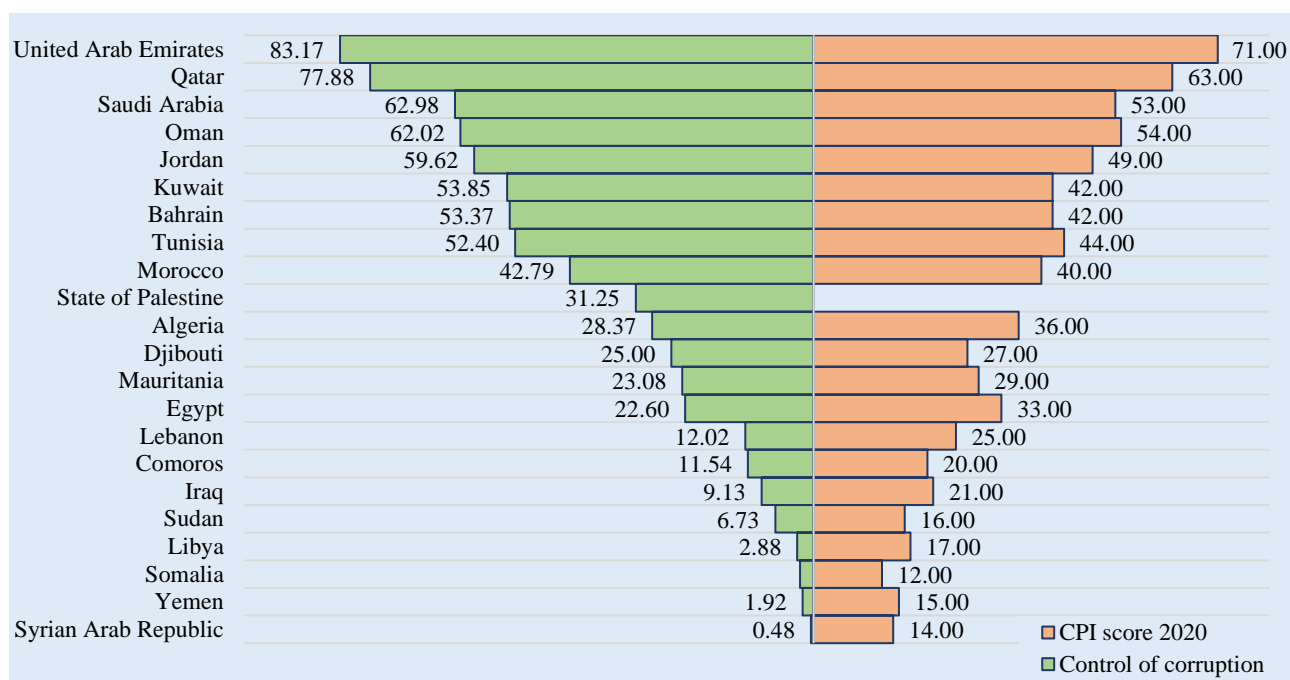
Source: World Bank, Worldwide Governance Indicators.

<sup>9</sup> World Bank, Worldwide Governance Indicators – Regulatory Quality definition.

<sup>10</sup> The Corruption Perceptions Index (CPI) uses a scale from 0 to 100, where 100 is very clean and 0 is highly corrupt.

<sup>11</sup> OECD, "Fighting corruption and promoting competition", Background note to the Global Forum on Competition (DAF/COMP/GF(2014)1, paras. 37-40).

**Figure 5. Control of corruption and Corruption Perceptions Index in the Arab Region, 2020  
(Score 0 to 100)**



Source: Worldwide Governance Indicators and Corruption Perceptions Index 2020.

21. Moreover, corruption can tremendously affect public procurement through practices such as bid rigging, tailoring tender documents to exclude new bidders, procurement fraud, etc. Consequently, having strong competition and anti-corruption laws/practices with good governance will directly guarantee fair competition between businesses and transparency and diminish the risk of conflicts of interest. According to ESCWA findings on the Arab Business Legislative Frameworks,<sup>12</sup> several newly promulgated public procurement laws take competition issues into consideration by designing rules and standards that facilitate the entrance and access of new businesses to procurement opportunities in public tenders. For example, in Lebanon, Saudi Arabia and the United Arab Emirates, new public procurement laws and practices give priority to SMEs when it comes to certain thresholds. They have also clearly defined conflicts of interest to guarantee a transparent tender process.

### Box 3. Tunisian digital procurement system

In 2013, Tunisia launched TUNEPS, the Tunisian e-procurement platform, with the aim of increasing the transparency, efficiency and accountability of procurement operations. Since September 2019, TUNEPS has been mandatory for all contracting authorities. The adoption of the new electronic system has been encouraged across the country by different regional training programmes, reaching hundreds of SMEs and representatives of contracting entities. After several years of implementation, TUNEPS has shown itself to facilitate procurement operations and enhance accessibility, the security of transactions and transparency. Moreover, TUNEPS has increased the access and visibility of procurement opportunities for vulnerable groups, including MSMEs, women-owned businesses and young entrepreneurs, as well as reduced the administrative burdens and increased the access to information on suppliers. Furthermore, the “Haute Instance de la Commande Publique” (HAICOP) has been working to address the still numerous gaps for the effective adoption of TUNEPS across entities through various capacity-building activities in support of the switch to the e-procurement system.

Source: OECD, *Improving the E-procurement Environment in Tunisia: Supporting vulnerable groups in gaining better access to TUNEPS* (Paris, 2020). Available at <https://www.oecd.org/mena/governance/improving-e-procurement-environment-tunisia-en.pdf>.

<sup>12</sup> See <https://publications.unescwa.org/projects/abl/index.html#33>, the chapter on Anti-corruption.

22. Another main challenge that Arab countries face in effective competition enforcement is the lack of clearly defined competition-guiding goals or policies.<sup>13</sup> With the alignment of competition objectives with government priorities, competition policy can be a key engine of economic reform. Furthermore, the independence of competition authorities enables them to conduct market investigations into sectors considered to be highly concentrated, with the authority to impose structural remedies on businesses in these sectors if they are found to establish barriers to entry for new businesses. Nonetheless, the State's intervention is still essential since the State, through different measures such as legislation, regulation, licensing and procurement, directly affects the majority of sectors.<sup>14</sup>

#### **Box 4. South Africa Competition Commission and economic governance**

South Africa had a similar monopolistic market structure as in the Arab region. Private initiatives and companies were unable to play a role in the market. In 2019, the South African Government fundamentally changed its approach to competition and prioritized the elimination of racialized economic structures, which was a strong element adopted by the previous administrations. A more solid framework for regulating competition was established as a mechanism to advance economic transformation. The democratic regime made competition laws and regulations its preferred method of regulating private enterprises for the general benefit to, amongst other things, foster an economically inclusive economy.

Furthermore, there are a series of government initiatives aimed at boosting the economic path of the country, which may be enforced through the Competition Commission's recommendations or active role in policymaking. Inclusive economic growth is at the top of the Government's agenda, reiterating the far-reaching economic reform measures outlined in the National Treasury's 2019 economic policy paper to tackle economic transformation, inclusive growth and increased competitiveness.

*Source:* L. Naidu, S. Nxumalo and A. Tzarevski, "South Africa: Competition Commission's power to address economic concentration", 9 April 2022. Available in *Global Compliance News* at <https://www.globalcompliancencews.com/2022/04/09/south-africa-competition-commissions-power-to-address-economic-concentration230322/#page=1>.

## **IV. Conclusion and moving forward**

23. The Arab region is in need of bold economic and legal reforms as there is an absence of broader government objectives that integrate competition. The role of competition and competition policy in Arab economies still needs to be better clarified and operationalized from a legal, political and economic perspective.

24. Competition laws are not yielding expected economic gains in the Arab region as their enforcement is hindered by structural challenges, including a large informal sector, strong dominance and presence of State-owned enterprises, exemptions of critical sectors from the law, a lack of competition policy incentives, and an absence of policies on competitive neutrality. In addition, despite the advanced score that some Arab countries have achieved on paper regarding competition legislation, enforcement in many countries suffers from a lack of institutional design and autonomy and weaknesses in the rule of law.

25. Furthermore, the above loopholes in national competition laws, as well as the absence of unified principles between Arab countries regarding competition practices, weaken the full enforcement of trade agreements. ESCWA, in its paper on "Trade and competition in the Arab region: Reality and prospects for a competitive Arab market",<sup>15</sup> highlighted the most important global practices, such as the European Union (EU)

<sup>13</sup> E/ESCWA/EDID/2015/5.

<sup>14</sup> L. Naidu, S. Nxumalo and A. Tzarevski, "South Africa: Competition Commission's power to address economic concentration", 9 April 2022. Available in *Global Compliance News* at <https://www.globalcompliancencews.com/2022/04/09/south-africa-competition-commissions-power-to-address-economic-concentration230322/#page=1>.

<sup>15</sup> E/ESCWA/CL3.SEP/2021/TP.14.

and the United States, Mexico and Canada (USMCA) trade agreements, confirming the need to adopt competition and anti-monopoly policies founded on the principle of interdependence between competition provisions under national laws and trade agreements.

26. Arab countries should rethink their competition strategies and frequently amend their competition laws considering the present market structure and business development, especially with regard to digital markets. Reforms should focus on reducing the informal economy's size by easing the business registration process, reducing the cost of starting a business and tackling State monopoly power over many critical sectors.

27. The independence of competition authorities, especially at the financial, administrative and structural levels, is essential for the effective implementation of competition law. Arab countries should better clarify the scope and reach of competition laws, minimizing the possible abuse and lack of clarity of jurisdictional reach. Furthermore, Governments should provide competition authorities with the required tools and resources to develop effective and deterring practices.

28. Increasing cooperation between competition authorities and anti-corruption bodies is key to safeguarding the market from corrupt practices. Improvements in public institutions and anti-corruption laws are essential to ensuring progress towards achieving the Sustainable Development Goals. Authorities should also focus on public procurement to contribute to addressing corruption and collusion in procurement processes, guaranteeing that public money is efficiently spent.

29. Finally, cooperation with regional and foreign competition authorities is important to help tackle cross-border anti-competitive practices and share best practices, as is active participation in regional and global events. Since 2020, ESCWA, in partnership with UNCTAD and OECD, has launched the Annual Arab Competition Forum intending to establish an up-to-date knowledge-sharing platform on competition policy and enforcement for Arab stakeholders. The Forum provides competition authorities and other relevant stakeholders a platform to advance relevant knowledge, best practices and policy recommendations, facilitating coordination and cooperation at the national, regional and international levels.

#### **Box 5. Third Arab Competition Forum, 2022**

The Third Arab Competition Forum 2022 was organized in Muscat, Oman by ESCWA and the Ministry of Commerce, Industry and Investment Promotion of Oman in partnership with UNCTAD, OECD, the International Trade Centre and the League of Arab States. Over two days, competition authorities, government officials, experts and academics from both within and beyond the region gathered to discuss the future of competition policy in the Arab region. A total of 100 representatives from 20 ESCWA member States were present at the event, of which 50 were from Oman. Furthermore, the Forum involved for the first time Arab young people in the conversation on competition by launching a competition challenge between Omani university students and dedicating a special session for youth advocacy. Among the topics discussed were competition and institutions, trade, economic policies, SMEs and e-commerce.

During the Forum, competition authorities presented the main national developments in competition over the past year and shared the challenges and opportunities they are facing. Many identified as main challenges the lack of financial resources, the need for skills, tools and knowledge among staff members and the weak structure of agencies in that area. The Minister of Commerce, Industry and Investment Promotion of Oman suggested the creation of an Arab competition council to gather all the Arab countries' competition authorities through a long-term semi-fixed representation, where competition authorities could work together and share their knowledge and work on the recommendations of the Third Arab Competition Forum.

The participants of the forum produced many recommendations during the event. The main highlighted recommendations were:

- Strengthen competition law enforcement by developing complementary competition law policies.
- Build the capabilities of competition authorities on technical aspects.

- Strengthen the independence of competition authorities to enable them to perform their role effectively.
- Build partnerships and cooperation with organizations and universities in order to build professional capacities in the field of competition.
- Advocate for competition and spread awareness of the importance of competition.
- Support Arab countries in enhancing cooperation among themselves in the field of competition through knowledge exchange and peer learning.

The Third Arab Competition Forum had significant takeup and responses from member States. Among them, Oman recently announced the expansion of its competition authority, which plans to increase the number of employees to more than 25. Likewise, Lebanon recently enacted a competition law and is in the process of establishing a competition authority. Furthermore, ESCWA already agreed on the hosting States for the next two forums (Saudi Arabia and Tunisia) and has received additional requests for future ones. The large number of requests speaks to the interest from member States and the importance of the event.

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