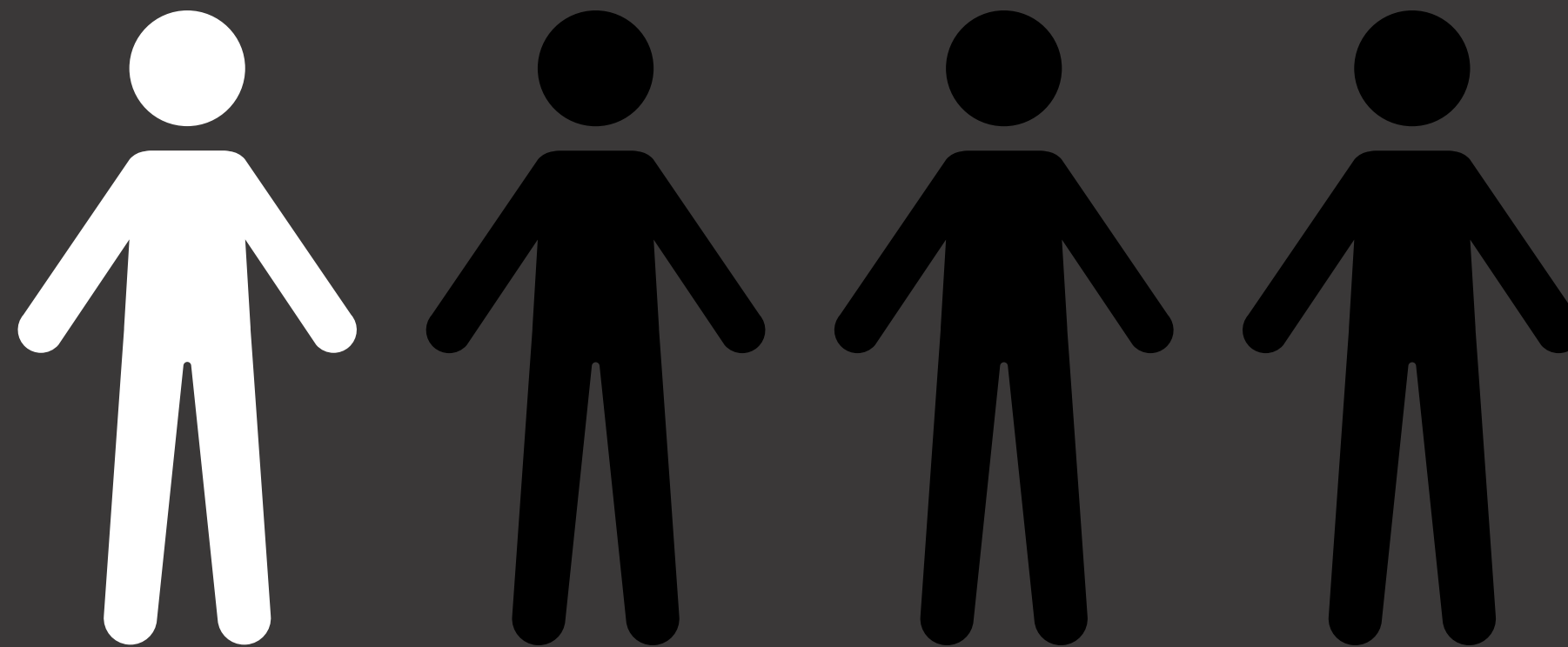


**Consumers in African cities are paying
35% more for food than in developing
countries in other regions**

(Nakamura et al. 2016)

Sub-Saharan Africa is the region with the largest proportion of the population affected by hunger in 2022

(FAO, 2022)



Fighting food insecurity

1/ Increasing food production

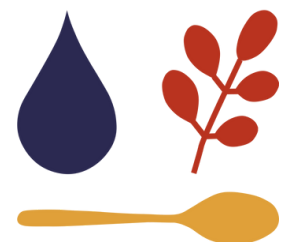
2/ Social safety nets

3/ Market interventions



Stronger Competition Law and Policy to Transform Food Systems

Empowering African Food Producers and
Agricultural Enterprises Through Stronger
Competition Law and Policy



Myriam HAMMADI

ACER Week 2023

Friday 6 October 2023



1. Map the state of concentration and competition in African agri-food markets
2. Undertake a situation analysis of the state of competition law and institutions in Africa
3. Set out a new agenda for strengthening competition regimes to empower African food producers and agricultural enterprises to achieve sustainable agri-food systems

A close-up photograph of a person's hands wearing blue nitrile gloves, holding a large quantity of small, white, spherical fertilizer granules. The background is a blurred outdoor setting with a large blue bag of fertilizer.


Excessive market concentration in African agri-food systems is harming producers, MSMEs, and consumers

A large red circle with a white border, containing the text '50%' in a large, white, sans-serif font. The circle is positioned over a photograph of yellow chicks in a cardboard box.

50%

In fertilizers and poultry,
cartels have increased
prices by 50% and more

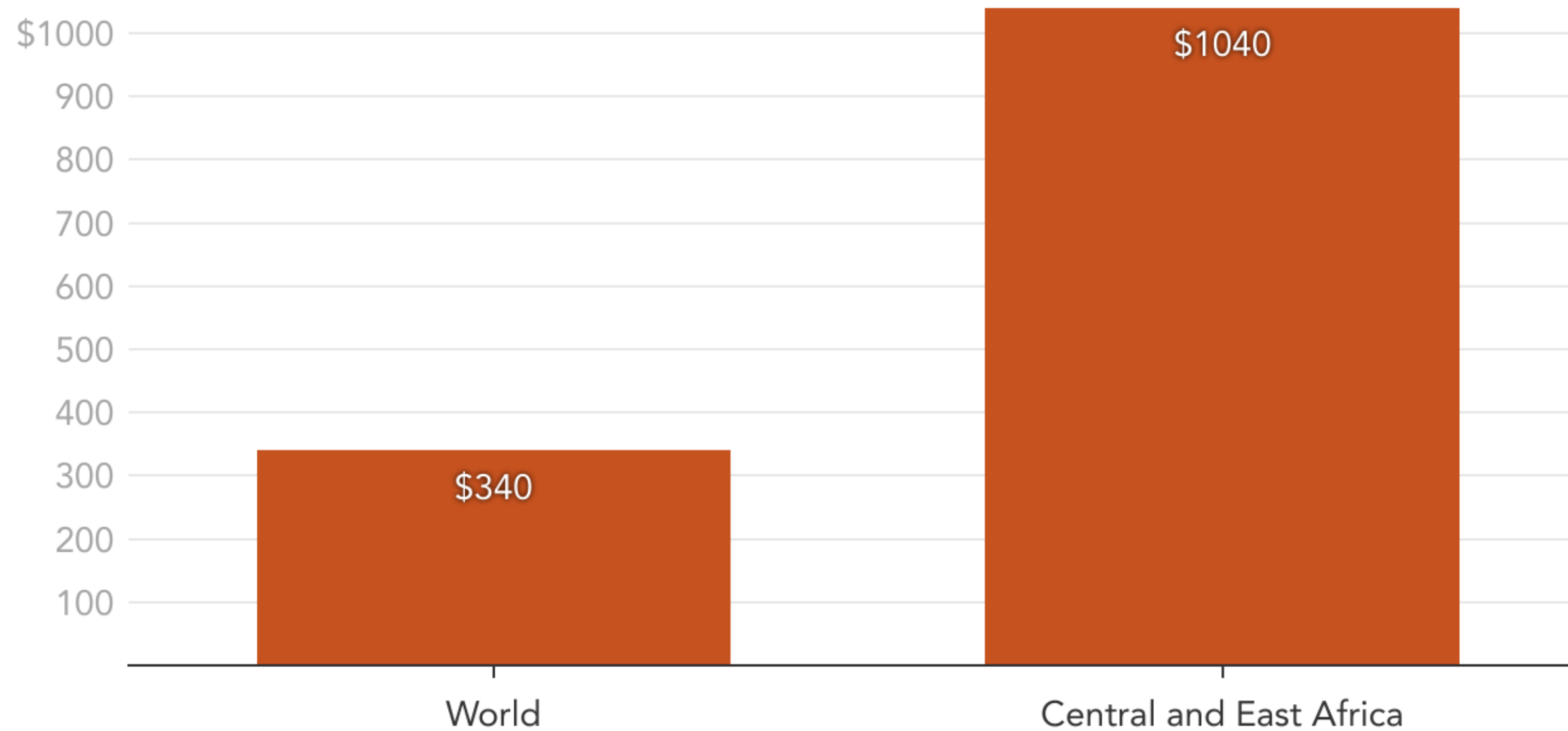
(Tups and Dannenberg, 2022; Hernandez and
Torero, 2013; Connor, 2020)

A photograph of a cardboard box filled with yellow chicks. The box has several circular holes for ventilation. The word 'CHICKS' is printed in a dark, serif font on the front of the box. The background is dark grey.

CHICKS

Urea Fertilizers Prices (January to July 2023)

Central and eastern African prices for urea are 3 times higher than the world price.



Prices paid for urea fertilizers in USD per tonne, from January to July 2023.

Chart: Myriam Hammadi • Source: African Market Observatory Price Tracker

Cartel busting

Abuse of dominance

Merger assessment

Market inquiries

Faced with this problem, competition authorities take different approaches against anti-competitive conduct in agri-food markets

The case for clustering CAs to help agri-food MSMEs

ELEMENTS ASSESSED

Law, regulations, power

Institution capability

Case experience

CHALLENGES

On paper vs In reality

Competition/consumer protection

No transparency



Cluster A

9 countries out of the 48

Laws & authorities with more than 10 years of
experience

Strong track-record





Cluster B

7 out of the 48 countries assessed
Competition laws and established
competition institutions
5 to 10 years of relevant experience

THE GAMBIA

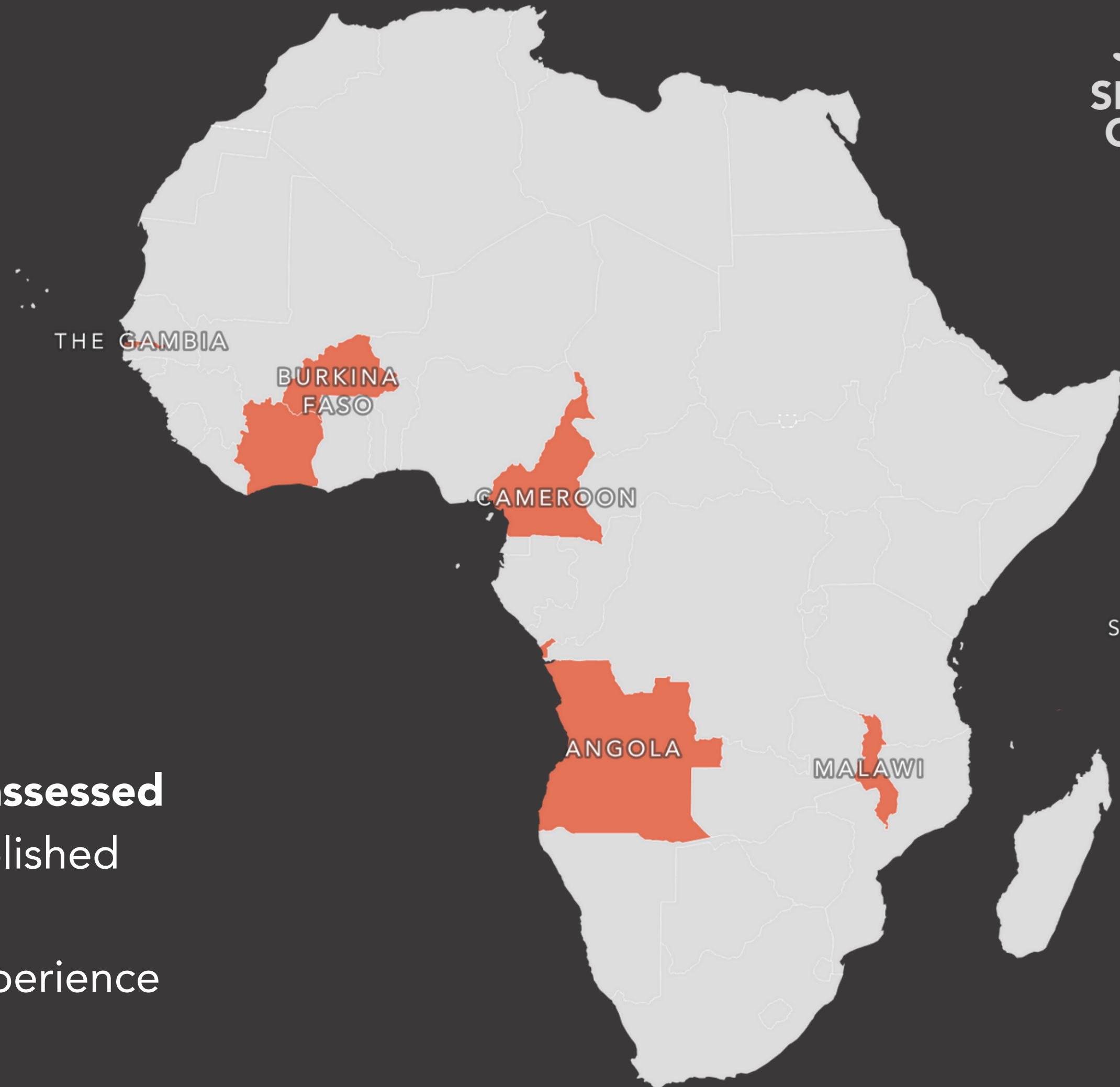
BURKINA
FASO

CAMEROON

ANGOLA

MALAWI

SEYCHELLES





Cluster C

10 out of the 48 countries assessed
Enacted competition laws but do not (yet)
enforced

CAPE VERDE

MALI

CHAD

NIGERIA

ETHIOPIA

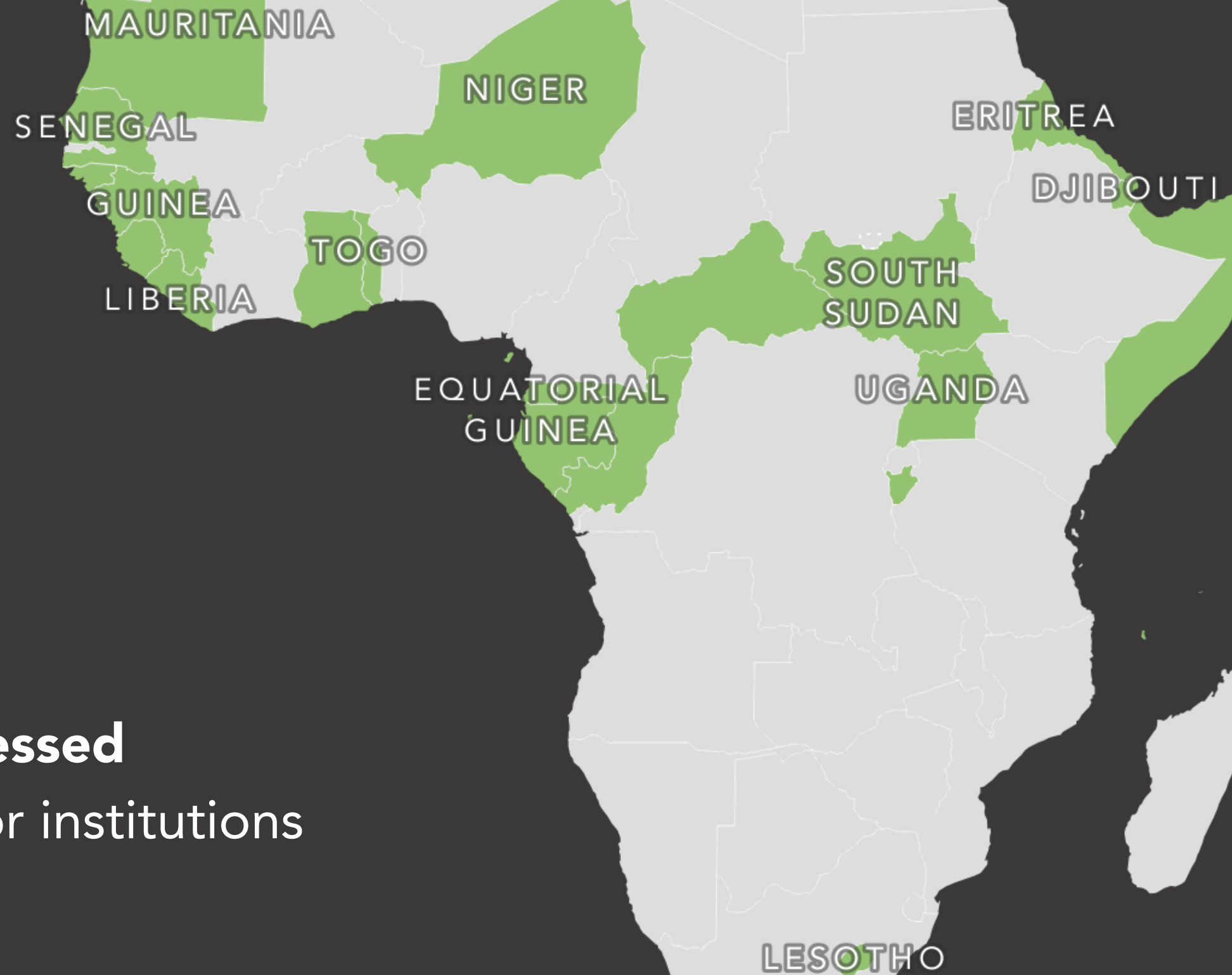
DEMOCRATIC
REPUBLIC
OF THE
CONGO

MADAGASCAR



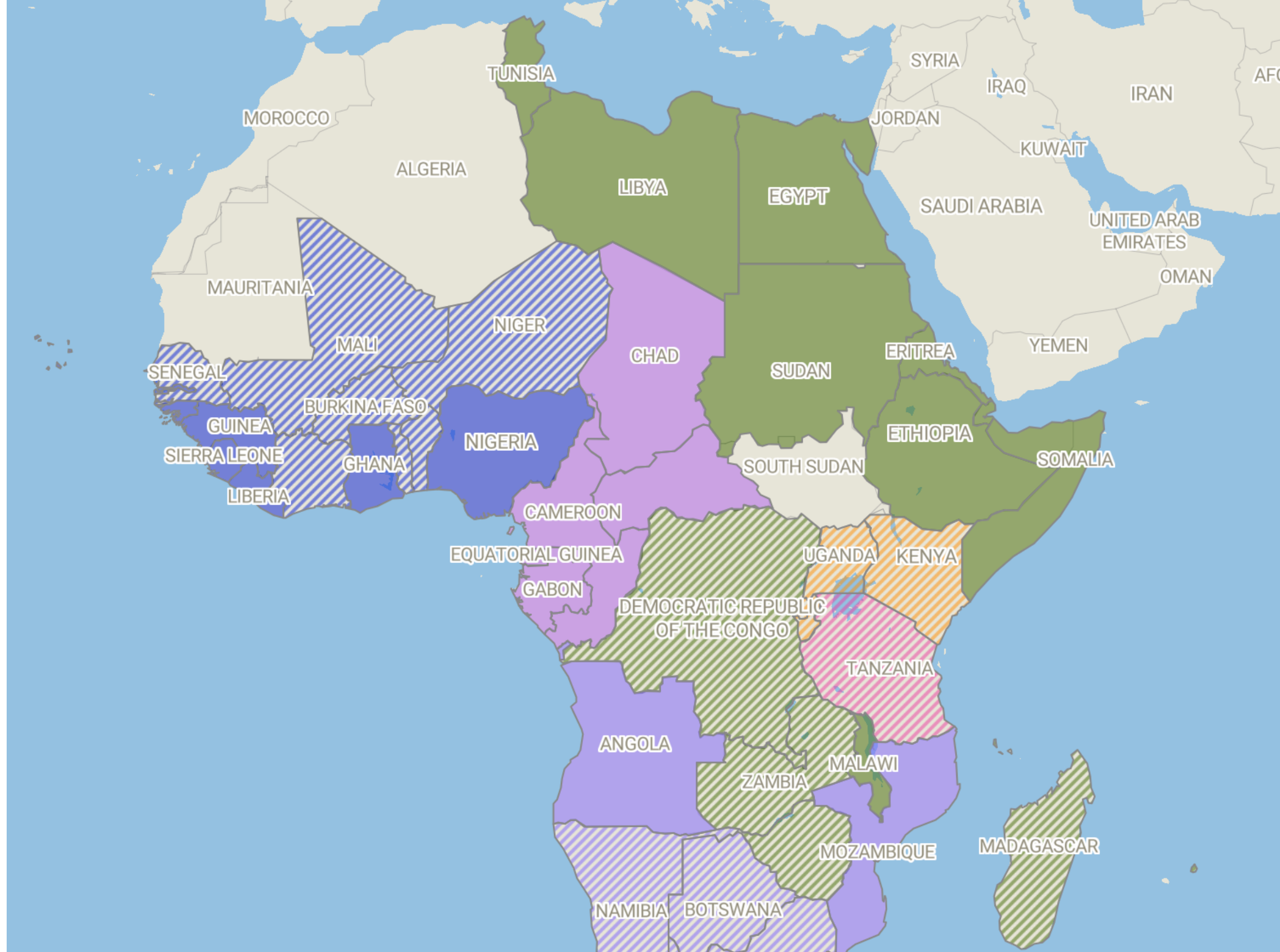


Cluster D



22 out of the 48 countries assessed

No national competition laws nor institutions



Regional economic communities with a competition mandate

- SADC
 SADC and SACU
 SADC and COMESA
 SADC, COMESA and SACU
 SADC and EAC
- COMESA and EAC
 COMESA
 WAEMU and ECOWAS
 ECOWAS
 CEMAC

**5 AREAS FOR
ACTION & REFORM**

SHAMBHA
CENTRE



1

- Technical and legal assistance to cluster D
- Increased data (Market observatory)





Building capabilities in clusters B & C:

- Technical assistance (data, Market observatory)
- Learning and exchanges with the more mature authorities



3

Prioritizing regional competition institutions and effective regional enforcement



4

Mobilizing constituencies behind the authorities to build political will for action



5

Law and policy reforms to ensure flexible and responsive competition regimes



Key Messages

1. There is excessive market concentration in African agri-food systems, which is harming producers, MSMEs, and consumers.
2. The global dimension of the problem make it hard for African competition authorities to act effectively against anti-competitive conduct in agri-food markets.
3. Competition laws, policies, and institutions in Africa need tailored support to elevate assessing harm/identifying concerns for MSMEs

THANKS



Myriam Hammadi



myriam@shambacentre.org



www.shambacentre.org

