

Competition Policy Consultation

Government consults public on draft competition policy

Compiled by Jane Joshua

THE GOVERNMENT HAS conducted a public consultation on Vanuatu's National Competition Policy draft.

This policy sets

out the Government's commitments in relation to consumer protection and the development and maintenance of competition in markets in the country.

Following the consultation, Director General of the

Ministry of Tourism, Trade, Commerce and Ni-Vanuatu Business, Marokon Alilee, stressed the importance of the policy.

"The development in the telecommunication industry since 2009 is a

good example of the positive impact competition can have in Vanuatu's economy," DG Alilee explained.

"Prices for phone services have been falling while the reach and quality have improved drastically."

With this policy, the Government is looking to recognize the importance of competition and establish high-level principles to guide the promotion of competition.

Administrative and

legislative decisions by the government on competition-related issues are proposed to consider competition principles.

Three of these are:

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(i) Competition policies, laws and institutions should promote the long-term interests of consumers;

(ii) Government should promote consumer choice when funding, procuring or providing goods and services and enable informed choices by consumers; and

(iii) Government should separate remaining public monopolies from competitive service elements and also separate contestable elements into smaller business activities.

Under the Draft consultation paper, the application of the competition principles will be subject to a public interest test.

The review of existing laws and practices is also covered in the draft.

Laws and practices that the government has identified for an early review include: price control, concession arrangements, dumping by foreign businesses, competition and consumer safeguards in the banking and insurance sectors as well as the aviation industry.

The policy builds on the direction provided in Vanuatu's development strategy, the Priorities Action Agenda (PAA) which highlighted the lack of competition in several key markets as a serious impediment to development.

DG Alilee is calling on the public to provide feedback and

suggestions by Monday, October 31.

The comments from ordinary people as consumers and business entrepreneurs will help ensure the policy is suitable for the economy.

The consultation draft of the policy can be accessed via the link: <http://tinyurl.com/zc471dg>.

The core objective of the Draft Competition Policy is to promote competition in Vanuatu's markets, supporting sustainable and inclusive economic growth.

Consumer protection features prominently in the draft policy as the government recognises that well-informed consumers drive competition between businesses.

As there is no existing general competition framework, the government is of the view that there is a need to take a long-term approach in the implementation of the policy and prioritize according to where measures will have the greatest value for the public, rather than try to do too many changes at once.

When implementing the policy over the next years, the government will be consulting the public on the specific strategies, especially when considering changes or introduction of laws or regulations.

Although important, the draft policy also expresses clearly that promotion to competition is not to the exclusion of other welfare

concerns such as fostering of traditions or protection of health, safety and environment.

Consultation on the draft policy commenced with a public workshop in Port Vila on Wednesday, October 12, 2016, where the participants were informed about the considerations behind the draft.

The policy is based on a consultation paper prepared in 2015 and early this year and consulted on during August and September.

In addition to the high-level policy, the final policy document will comprise a background section and a high-level plan for implementation.

The government's work with the policy is receiving technical assistance from competition experts Andrew Simpson and Brent Fisse of the Programme Private Sector Development Initiative (PSDI), funded by the Asian Development bank, Australia and New Zealand.

The government requested support from the PSDI in developing a competition and consumer policy in 2015.

Copies of both the Issues Paper and the Draft Competition Policy are available from the Ministry. To make a submission, contact the Mr. Jack Lowane, Policy Coordinator, Ministry of Tourism, Trade, Commerce and Ni Vanuatu Business on jlowane@vanuatu.gov.vu

The closing date for submissions is October 31, 2016.