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
Excessive market concentration in African agri-food systems is harming producers, MSMEs, and consumers.
In fertilizers and poultry, cartels have increased prices by 50% and more

(Tups and Dannenberg, 2022; Hernandez and Torero, 2013; Connor, 2020)
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
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
10 out of the 48 countries assessed
Enacted competition laws but do not (yet) enforced
Cluster D

22 out of the 48 countries assessed
No national competition laws nor institutions
Clustering competition authorities across the continent
5 AREAS FOR ACTION & REFORM
1. Technical and legal assistance to cluster D
2. Increased data (Market observatory)
Building capabilities in clusters B & C:

- Technical assistance (data, Market observatory)
- Learning and exchanges with the more mature authorities
Prioritizing regional competition institutions and effective regional enforcement
Mobilizing constituencies behind the authorities to build political will for action
Law and policy reforms to ensure flexible and responsive competition regimes
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

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