MORAIS LEITÃO GALVÃO TELES, SOARES DA SILVA & ASSOCIADOS



LEGAL ALERT

COMPETITION REGULATORY AUTHORITY OF MOZAMBIQUE

ENFORCEMENT PRIORITIES

The Competition Regulatory Authority of Mozambique ("CRA") was originally established in 2013. However, the CRA only became operational this year, in particular following the amendment of its Organic Statute, the appointment of a new President, Dr. Iacumba Ali Aiuba, and the recent revision of the merger filing fee regime.

In the context of a recent meeting of the Lusophone (Portuguese-speaking) Competition Network, the President expressed the CRA's willingness to assert itself as an active competition authority, both in Mozambique and at the international level, through the enforcement of the missions entrusted to it, such as preventing anti-competitive practices, promoting best practices and implementing an effective merger control system.

While some challenges remain for the CRA to become fully operational (such as recruiting staff, moving to expanded premises, and adopting additional regulations), the President highlighted a number of industries which appear to raise competition issues, suggesting they will be among the investigative priorities for CRA in the future:

- cement and construction;
- beverages;
- consumer goods, in particular flour, vegetable oils, soap and sugar;
- pharmaceutical (medicines);
- financial;

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telecommunications.

The CRA will also focus on collusive practices of companies participating in public procurement procedures launched by the Mozambican authorities, which is, for the CRA, one of the most important and complex challenges and therefore one of the most essential issues to be examined in the future.

The CRA further announced the launch of a study of the functioning of the cement and construction industries, which was contracted to external consultants, suggesting that it is willing to undertake in-depth sectoral investigations when deemed necessary.

Beyond merger notifications, which are already being filed with the CRA on a regular basis, the authority is expected to extend its enforcement mission in the future, in particular to investigations of anticompetitive conduct.

Companies operating in Mozambique, and in particular those in the sectors highlighted above, are therefore well advised to actively monitor their business complies with competition law, engaging specialist legal advice when appropriate.

Pedro de Gouveia e Melo [+info] Edgar da Silva Palma [+info]

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MORAIS LEITÃO GALVÃO TELES, SOARES DA SILVA & ASSOCIADOS



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