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MEDIA RELEASE			
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MEDIA RELEASE- THE COMPETITION COMMISSION RELEASES THE PRELIMINARY REPORT OF THE CONSTRUCTION MARKET STUDY			

The Competition Commission ('CCM') has today released its Report of the Construction Market Study ('the Report') for views before publishing the final version.

The study, launched in April 2017, aimed at understanding the current conditions of competition in the local construction industry and to identify competition concerns, if any. The study focused on key aspects characterising the industry such as norms and standards, registration process of contractors and consultants, degree of concentration and vertical linkages, pricing of construction materials and professional services and public procurement process.

The study revealed that the various markets within the construction sector are highly concentrated and the major players of the sector are vertically integrated across the supply chain. Prices of construction materials are not subject to regulation and are determined by the market players.

There are numerous standards and norms pertaining to cement, aggregate, block and iron bars. Contractors and consultants are legally required to be registered with the Construction Industry Development Board.

Local construction companies have raised some concerns in regard to the allocation of public contracts. These mostly relate to restrictive effects of G-2-G contracts for local contractors and alleged terms of employment of foreign workers by international contractors that give them an edge over local contractors.

The CCM is hereby inviting views of the stakeholders from both the private and the public sector and the general public on the Report. The CCM relies on a positive and constructive collaboration from all the different stakeholders.

Mr. Deshmuk Kowlessur, the Executive Director of the CCM said: “ *contributing around 50,000 or 9% of total employment and around 5% of the Mauritian GDP, the construction sector remains key to development and prosperity in the country. The promotion of competition in the sector encourages market players to invest and innovate and thus provide better quality products and services at competitive prices. This is likely to benefit everyone in the economy, in particular the poor in terms of lower prices of construction materials and that of dwellings.*

The Report provides useful information on the aspects of the construction sector in Mauritius. It could assist existing players as well as prospective entrants to make well informed business decisions. Moreover, the general public can also make use of the information on the current market conditions when making their choice.

I invite all the various stakeholders, including operators in the industry, regulatory bodies, and trade associations to submit their views on the Report by 18th May, 2018 so that the CCM can incorporate same in final version, to be released shortly after .”

End of Media Release

Background for editors:

The Competition Act

The Competition Act 2007 came fully into effect on November 25th 2009, and is enforced by the Competition Commission. Part III of the Competition Act 2007 provides for the different types of restrictive business practices which the Executive Director may investigate into and against which the Commission may take relevant action, including the imposition of financial penalties. A market study, by contrast, is not an investigation into a restrictive business practice but a general study conducted under Section 30 of the Competition Act 2007 in order to assess the effectiveness of competition in individual sectors of the economy.

Pursuant to the Executive Director’s powers to undertake general studies under section 30(h) of the Act, the Executive Director may –

- (a) make a specific request for information from any enterprise or groups of enterprises;
- (b) invite relevant persons to attend the office of the Executive Director for an interview;
- (c) request for written explanations or otherwise as required for the purposes of the issue at hand; or
- (d) conduct a visit to a locus or site, whether accompanied or not by officers of the Commission.

For further information, please see the CCM's website at www.ccm.mu.