

**MEDIA RELEASE**

26/02/2024

Market study Ref: **MS011**

**THE EXECUTIVE DIRECTOR OF THE COMPETITION COMMISSION LAUNCHES A MARKET STUDY ON THE PORT SECTOR**

The Executive Director of the Competition Commission (the “Executive Director”) has launched a market study on the port sector, under section 30 of the Competition Act 2007 (“the Act”). This section of the Act empowers the Executive Director to review conditions of competition through market studies with a view to come up with recommendations to make markets work well for the benefit of consumers, businesses, and the economy at large.

In pursuance of the mandate of the Executive Director under the Act, the port market study has been launched to identify potential barriers to entry and expansion in the provision of the various services provided by public and private operators in the port sector. The scope of the study will include the review of industry structure and regulatory arrangements at the port, compared to international best practices. The objective is to come up with better outcomes for customers in terms of prices, speed, and quality of handling of freight.

The Executive Director has prioritised the port market study given its strategic importance to the Mauritian economy. The study would aim at identifying potential distortion to the competitive process that could be negatively impacting on the competitiveness of the Mauritian port sector, and consequently resulting in adverse effect on consumers, businesses, and the economy at large. Several stakeholders have raised issues regarding the competitiveness of the local port sector. It is to be highlighted that such issues were also faced by several countries such as Greece, Romania and Mexico, which have also carried port market studies with the objective of enhancing the competitiveness of their ports. The recommendations arising from our port study will therefore contribute to improving competitiveness in the sector.

The port study is even more important, given disturbances owing to the current geopolitical situation in the Middle East and Eastern Europe and the impact of Covid-19 pandemic on maritime services. These external factors have led to distortions in global supply chains and disrupted maritime services. For Mauritius, the impact has been felt on our local port sector with certain shipping lines rerouting their vessels and reviewing their operations models. As such, it is important to continuously improve competition and hence competitiveness of our port sector, so as to mitigate the impact of these external factors on our economy.

For the conduct of the study, the Competition Commission has constituted a study team comprising its technical staff and experts in the field of competition law and economics. The team of experts has wide experience in conducting market studies in various sectors, including ports.

The lead expert is John Davies who is presently a member of the UK Competition Appeal Tribunal. He has served as the Head of Competition Policy Division of the OECD. At the OECD, he has directed several market studies in various countries such as pharmaceuticals, shipping, broadcasting, digital economy, food, financial services, and hospitals and the ports market studies. It is to be noted that John Davies has experience of the local economy, having operationalised the Competition Commission and enforced competition law in Mauritius in 2010 and 2011. John Davies will be assisted among others by Simon Roberts and Thando Vilakazi, who have extensive expertise in the field of competition law and economics.

During the information gathering phase of the market study, the study team shall be meeting with all relevant public and private stakeholders.

***Statement of the Executive Director, Mr. Deshmuk Kowlessur:***

*“Mauritius is a net importer of food and other essential commodities. The country also relies on sea freight for the export of its main products, including textiles, sugar and processed food, in particular tuna. The port therefore serves as a strategic facility for imports and exports of goods and thus contributes to economic development and the welfare of the population. It is therefore imperative that port users, be it local and international, benefit from efficient, reliable and competitive port services.*

*Through this market study, the Competition Commission will assess the conditions of competition for the supply of port related services by the various operators and identify potential areas for improving competition in the sector. To this effect, the study will benchmark our model of port operations and come up with recommendations based on international best practices. I am confident that this will only be to the benefit of all port users and ultimately enhance our port competitiveness and bring benefit to the economy.*

*In the course of the study, the study team will be meeting with the various stakeholders including public and private port operators and regulatory bodies, to gather relevant information. I therefore look forward to the collaboration of all stakeholders. For those who wish to engage with the Competition Commission, they may contact us in full confidentiality, through post, email, phone or on WhatsApp, quoting the reference MS011.*

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**Background information for editors:**

The Competition Act 2007 (the “Act”) came fully into effect on November 25<sup>th</sup> of 2009 and is enforced by the Competition Commission. Part III of the Competition Act 2007 defines restrictive practices, against which the Commission can take action and, in some cases, impose financial penalties.

A market study, by contrast, is not a formal investigation of restrictive practices, but a general study conducted under Section 30 of the Act which empowers the Executive Director of the Competition Commission to undertake general studies on the effectiveness of competition in individual sectors of the economy.

The objective of a market study is to understand (and publicise) conditions of competition in a sector and the reasons for any lack of competition, and if necessary to recommend action by Government. Our focus is necessarily solely on competition. The Competition Commission has no authority or expertise to investigate environmental matters, for example, or any alleged breaches of law other than the Competition Act. It would be for the Government to take such wider concerns into account when considering any recommendation we might make.