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The Middle East and North Africa Competition Authorities launch the Arab Competition Network

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Arab Competition Network, *Protocol on cooperation in the field of competition among Arab Countries*, Cooperation protocol, 16 March 2022 (Arabic)

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Middle East and North Africa Competition Authorities launch the Arab Competition Network

Enhanced cooperation among antitrust regulatory authorities in the MENA region

On 16 March 2022, Middle East and North Africa (MENA) competition authorities officially launched the Arab Competition Network (ACN). The ACN aims to bolster cooperation between Arabic-speaking antitrust authorities and to provide the necessary support to countries within the MENA region seeking to enact or develop their own antitrust legislation and enforcement activities.

Key points

- The creation of the network follows a significant growth in antitrust cases in the Middle East and Africa region, as well as an increased awareness of antitrust laws
- The ACN will increase cooperation between its members and provide the necessary support to Arabic speaking countries seeking to enact or develop their own antitrust legislation
- The network will also provide its members with assistance in investigating and monitoring sectors that have

been affected by the Covid-19 crisis and Russia's invasion of Ukraine

- The creation of the ACN may increase antitrust enforcement risks for companies active in the region

Structure of the ACN

As of March 2022, the ACN has 17 members: Algeria, Bahrain, Egypt, Iraq, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Palestine, Qatar, the Kingdom of Saudi Arabia, Sudan, Tunisia, United Arab Emirates and Yemen.

The network is comprised of different working groups, each focusing on a key antitrust law topic or a broader objective of the ACN:

- Horizontal agreements (cartels)
- Vertical agreements
- Abuse of dominant positions
- Mergers & acquisitions
- Awareness of competition policies
- Institutional efficiency of competition bodies.

Regional cooperation and harmonisation of antitrust rules and enforcement

Key objectives of the ACN

Much like the International Competition Network (ICN) or the European Competition Network (ECN), the ACN was formed to increase awareness of existing antitrust law practices within its members' antitrust authorities and to pool antitrust authorities' experience to identify best practices. In that regard, the role of the ACN is intended to complement the role of the ICN (of which most of the ACN members are also part), by focusing on the regional development of antitrust policies and best practices.

In particular, the ACN aims to allow its members to maintain regular and effective communication to achieve a harmonised application of antitrust policy and enforcement in the MENA region. The ACN has been set up as a means to promote effective cooperation in matters of common interests to its members and to ensure regular exchanges of experiences and developments on the most significant developments in antitrust law.

As set out in the *Cooperation Protocol in the Field of Competition Among Arab Countries*²⁸, the ACN will bolster cooperation between national authorities by organising regional workshops and offering training to its members. The ACN has committed to hold an annual meeting between its members, and to allow officials to spend time working at fellow agencies within the network. The ACN will also provide legal support to any members wishing to enact or amend their antitrust laws, or to establish or develop new regulatory bodies.

Towards increased antitrust scrutiny in the region?

The support offered by the ACN to its members could result in a stronger regulatory landscape and more rigorous antitrust enforcement policies in the MENA region in the mid- to long-term. Further to increased collaboration, the ACN aims at incentivising existing antitrust authorities to further develop the scope of their activities, as well as encouraging other countries in the region to set up new antitrust agencies.

This reinforced collaboration may lead to increased co-operation in any parallel reviews of anti-competitive behaviours or of proposed mergers, thereby harmonising decisions taken by the respective antitrust agencies. Agencies within the region have cooperated on merger cases in the past. Most notably in the *Uber/Careem* transaction (2019) that led to conditional clearances in both Egypt and the Kingdom of Saudi Arabia. The ACN further codifies and provides a framework for collaboration between national antitrust authorities in the region.

In the shorter term – and potentially requiring more immediate action – the network aims to provide assistance to its members to investigate and monitor sectors that have been affected by the Covid-19 crisis and Russia's invasion of Ukraine. In her keynote speech during the launch of the ACN on 16 March 2022, Egyptian Minister of Trade and Industry Nevine Gamea said: *"The launch of the platform comes in the midst of tough economic conditions facing the global economy, especially due to the repercussions of the coronavirus pandemic and the current Russia-Ukraine war"*. The Minister stressed the need for joint efforts among Arabic-speaking countries to implement antitrust laws and fight cross-border monopolistic practices under a common umbrella.

Building sustainable economic growth in MENA

While the ACN's support for the development and harmonisation of its members' antitrust regulatory practices may increase the level of antitrust scrutiny in the MENA region, one of the ACN's objectives is also to overcome potential barriers to economic integration in the region.

The *Cooperation Protocol in the Field of Competition Among Arab Countries* specifically refers to antitrust policies as being crucial for the development of commercial exchanges between the ACN member countries, and as a key element to create an attractive investment environment.

The creation of the ACN is part of a broader economic commitment by its members to achieve sustainable economic growth within MENA by ensuring that the economic environment is based on free competition, which in turn leads to increased production efficiency, improved product and service quality, and consumer protection.

What increasing international cooperation means for market players

The exact scope of the ACN's activities remains to be seen. The network's ambitions are not limited to increasing cooperation between the region's national antitrust authorities, but also aim at creating a stronger common economy in the MENA region.

Companies operating in the Middle East and Africa may expect increased antitrust scrutiny. However, there might also be opportunities for investors wishing to enter specific markets in the region, as the ACN aims at encouraging competition within MENA and overcoming barriers to economic integration between Arabic-speaking countries.

International cooperation between antitrust authorities is a trend that is only set to increase. We cover other recent examples of cross-border coordination and the corresponding impact on businesses in our *Global antitrust enforcement report* [✉] and our *Global trends in merger control enforcement report* [✉].