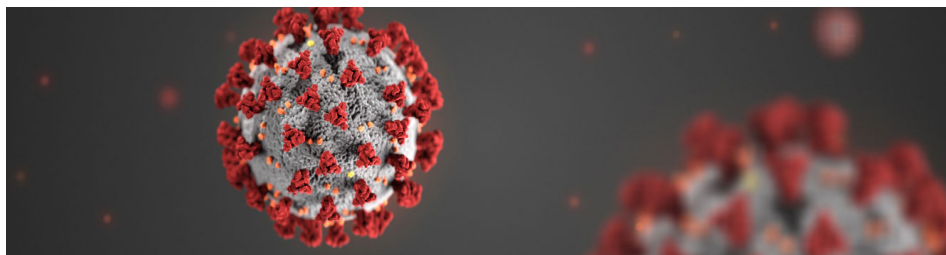


20 March 2020



FCC steps in to Protect Consumers during Corona Crisis

- Tanzania's anti-trust authority warns importers, traders, manufacturers, dealers of antiseptic, face masks, gloves
- Initial research reveals prices going up after corona crisis
- Price fixing, artificial shortage, collective boycott are illegal

Tanzania's Fair Competition Commission (FCC) becomes one of the few authorities on the continent to warn importers, traders, manufacturers and dealers of antiseptic, face masks, gloves that price fixing, creating artificial shortages, refusing to sell such products during the corona crisis constitutes an offence under the Fair Competition Act 2003 (FCA).

In a warning issued on 19 March 2020, Director General Dr. John Mduma of the FCC categorically stated that there have been complaints on the scarcity and overpricing of the above mentioned products. "FCC has investigated and noted that the complaints are valid and reminds importers, traders, manufacturers and dealers that the FCA prohibits unfair trading practices such as overpricing and the like," reads the FCC warning.

Section 9 of the FCA stipulates as per below:

9.-(1) A person shall not make or give effect to an agreement if the object, effect or likely effect of the agreement is: (a) price fixing between competitors; (b) collective boycott by competitors; or (c) collusive bidding or tendering. (2) In this section:

(a) "price fixing between competitors" means to fix, restrict or control the prices, tariffs, surcharges or other charges for, or the terms or conditions upon which, a party to an agreement supplies or acquires, or offers to supply or acquire, goods or services, in competition with any other party to the agreement;

(b) "collective boycott by competitors" means:

(i) to prevent a party to an agreement from supplying goods or services to particular persons, or acquiring goods or services from particular persons, in competition with any other party to the agreement;

(c) "output restrictions between competitors" means to prevent, restrict or control the production by a party to an agreement of goods or services to be supplied in competition with any other party to the agreement;

Under the FCA, offences such as those above can result in compliance orders being issued and/or hefty penalties imposed up to 10% of the entities turnover. Such penalties can be imposed up to 6 years from the commissioning of the offence and past experience has shown that the FCC does not shy away from taking stern action.

The FCC intervention is a welcome move as consumers scramble to cope with the effects of the coronavirus.

The FCC in its notice has provided a hotline to report such anti-competitive behavior. Consumers can call toll free the following number:

0800110094 or e-mail: info@competition.or.tz

To read the Kiswahili version of the FCC Notice [click here](#).

For further information on legal updates please contact:

E: info@fbattorneys.co.tz

About FB Attorneys

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