



ECA deploys legal and economic resources to assist businesses in unlocking potential innovation and coordination necessary for overcoming the COVID-19 Challenges

In light of the challenges posed by the emerging Corona Virus (COVID-19), and the urgency to take the decisive measures to confront and limit its spread, ECA is keen to fulfill its role in protecting competition and promoting innovation in markets. This is in order to unlock potential efficiencies that market players may achieve to combat the spread of the virus. This shall be by preventing companies from taking advantage of the current crisis and engaging in anticompetitive practices which may include: anticompetitive agreements between competitors, exploiting a dominant position with the aim of imposing exorbitant conditions or excessive prices, excluding existing competitors (especially small or medium enterprises) and / or preventing entry of new ones especially those who are able to provide and contribute to the efforts of delivering the needs necessary to confront the virus and mitigate its social and economic effects.

In view of the exceptional circumstances, ECA is fully aware of the importance of facilitating and enabling innovation and necessary technologies. This can be via collaborating innovative efforts by and between competitors and foster the necessary coordination among them to reach more efficient production means of scarce or fundamental products necessary to combat the spread of the virus, especially in the medical supplies sector or the pharmaceutical and health care sectors. These are goals acknowledged under Article 2 of the law which defines economic efficiencies as means aimed to "**reducing the average variable cost of products, improving their quality, increasing the volume of their production or distribution, or producing or distributing new products or accelerating their production or distribution**". The materialization of such efficiencies is further protected under Article 6, paragraph 2 of the Egyptian Competition Law.

For that purpose, ECA is launching a new initiative through which ECA shall be providing free and informal legal and economic advice to firms and their legal advisors on the extent to which their cooperation or coordination attempts aimed to face the repercussions of the emerging Corona virus crisis can benefit from the conditions laid down for the exemption of economic efficiencies laid down under Article 6 paragraph 2. ECA would also be providing any economic consultations about any queries related to compliance with Articles 7 and 8



proposing economic alternatives that guarantee the achievement of the desired goals while avoiding restrictive practices to competition.

ECA has dedicated the following e-mail address: covid19-helpdesk@eca.org.eg to receive all requests for necessary consultations. ECA shall promptly conduct its review and assessment for the received requests and provide the technical assistance required in a case by case basis. To ensure prompt response to such consultations, the e-mail must include details about the scope of cooperation or coordination agreements, including:

- (a) the firm(s), product(s) or service(s) concerned;
- (b) the scope and set-up of the cooperation;
- (c) the aspects that fall within the scope of the Egyptian Competition Law; and
- (d) the benefits that the cooperation seeks to achieve, and an explanation of why the cooperation is necessary and proportionate to achieve those benefits in the current circumstances.

The information provided in any submission to the mailbox will be protected by strict confidentiality obligations as set forth under Article (16) of the ECL, which prohibits all ECA employees to disclose any information or data received by ECA in the context of its work and terms of reference. Besides, it is also prohibited the use such information and data for purposes other than those for which it was provided.

Moreover, ECA is still receiving requests for exemption and inquiries on this e-mail address: info@eca.org.eg according to the procedures previously announced on 26 March 2020.

While ECA will be extending the scope for exemption of coordinative and cooperative attempts between competitors, it will continue to apply its enforcement tools against any practices aimed to exploit the current situation to achieve exploitative or anticompetitive ends such as:

- Bid riggings in tenders organized by governmental agencies designed to procure, medical, pharmaceutical or food supplies in contravention to Article 6 (c) of the Egyptian Competition Law and Articles 33, 37 and 38 of Law No. 182 of 2018 on public procurement.



- Any anticompetitive agreement on any matter that would cause harm to dealers, or increase the economic risks on those dealers, in particular small and medium sized firms or final users.
- Refrain from making available a scarce product although making it available is economically possible.
- Refusal to deal with any person or imposing excessive conditions in a manner that may lead to limiting freedom to enter or exit the market at any time.
- Any action that may result in non-manufacture, production or distribution of a product for a specified period or periods of time.