

## Perspective

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**P**reviously, Uganda's free-market economy operated with minimal oversight of unfair business practices aimed at pushing competitors out of the market. Larger businesses could engage in anti-competitive business practices that harmed both consumers and smaller businesses without any legal limitation.

For instance, large businesses could sell their goods or services at low prices, often below cost, to attract customers and drive competitors out of the mar-

## Beware of evolving competition law regime

ket, and later raise the prices once the competition has been eliminated.

Similarly, a dominant company that controls an essential service or infrastructure could charge very high prices to its competitors while selling the same service directly to consumers at a very low price, making it difficult for other businesses to survive. Also, service providers could force customers to buy one product in order to access an-

other. In more common cases, bigger companies could merge their business operations with their contemporaries in the market, buy out companies in order to take over their businesses or enter into joint ventures with them, without regulation.

However, recently, Uganda aligned with the fast-growing regional competition regulatory standards by enacting the Competition Act Cap. 66 and

the Competition Regulations S.I No. 60 of 2025 to put teeth into the country's competition regulatory framework.

Competition in the marketplace directly affects the prices for goods and services, the quality of goods and services they receive, and the choices available to them. Competition law regulates how businesses interact in the marketplace, particularly where their conduct or transactions may influence

consumer behaviour. Consumer choices in a competitive market environment are driven by price, quality, availability and innovation.

The new competition regulatory regime seeks to rationalise business transactions and conduct by market players to address the adverse effects of mergers, acquisitions and joint ventures on competition in Uganda's free market economy. The Wild West days of unregulated mergers, acquisitions and joint ventures in Uganda are over.

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