How Comprehensive are Competition Laws? The Case of the GCC Countries

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Article Info

How to cite this paper: Reyadh Faras., Abbas Al-Mejren. (2026 How Comprehensive are Competition Laws? The Case of the GCC Countries.*World Copmpetition, 49*(2), 36-53. https://doi.org/10.54648/woco234271

ISSN Online: 1875-8436
ISSN Print: 1011-4548

Received: 27.02.2024
Revised: 09.07.2025
Accepted: 19.02.2026
Article Type: **ORIGINAL Research**

ABSTRACT

This research aims to investigate the comprehensiveness of the competition laws in the Gulf Cooperation Council (GCC) countries. The study covers six countries: Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates. A comparative and gap analysis was used to identify the gaps and shortcomings in these countries' laws compared to best-practice competition laws. The focus of analysis is on four key areas: (1) Authority Provisions, (2) Merger Control, (3) Abuse of Dominance, and (4) Anticompetitive Agreements. The results indicate that, overall, competition laws in the GCC countries have a high coverage ratio of provisions that establish legal and institutional frameworks to ensure fair competition in the market. However, there is significant variation in coverage across the region, highlighting the need for harmonization and improvement of these laws.

Keywords: GCC countries, ompetition authorities, competition laws, dominance, merger

1.Introduction

Competition benefits consumers and the economy by driving quality development, innovation, and increased efficiency, ensuring that consumers receive high-quality products and services at better prices. In a competitive environment, the need to offer superior products and services motivates businesses to invest in improving product quality, design, and packaging, as well as enhancing employee efficiency through guidance and training. These advantages ultimately lead to increased demand, business expansion, and a rise in entrepreneurship, creating more job opportunities and improving societal welfare.

Given the importance of these benefits, the damages resulting from the absence of competition, or from violating its principles, become evident – whether at the level of the individual consumer, a business sector, or the entire economy. To address this, legislative authorities in many countries have enacted binding legislation to ensure fair competition in markets and prevent violations. These laws impose deterrent penalties to curb anticompetitive practices such as collusion, mergers and acquisitions that reduce competition, or price manipulation and discrimination.

While rules against anti-competitive practices and collusive business cartels have a long history, interest in these rules surged after the US Congress passed the Sherman Antitrust Act in 1890. This landmark legislation sought to outlaw most monopolies, promote free competition among companies, and protect consumers from monopolistic practices, such as collusive agreements that affect output quality or prices. Following World War I, European countries began adopting similar laws to curb the growing influence of powerful cartels. In this context, Sweden and Norway were pioneers, issuing the first free competition laws in Europe in 1925 and 1926, respectively.

Founded in 1981, the Gulf Cooperation Council (GCC) consists of six Arab states that share a common geographic area bordering the Arabian Gulf. The total area of the GCC is about 2.6 million square kilometres and it is home to more than fifty-six million people, more than half of whom live in the largest Member State, Saudi Arabia. The GCC states represent an interesting case study because they share many common features, including:

These countries are all governed by hereditary monarchical political systems, although they differ in the amount of authority granted to executive or legislative institutions.

They are major players in the global energy market, owning the largest proven global reserves of conventional crude oil, amounting to about 500 billion barrels, or more than a third of world reserves, in addition to owning the second largest global reserves of natural gas, exceeding forty trillion cubic metres, more than a fifth of world proven reserves.

They represent a strong regional economic bloc with a free trade zone, a customs union, and a common market.

The state and its public sector in these countries dominate a large part of economic activity through their own companies, especially in energy, utilities, health, education, transport, and infrastructure.

They occupy an important position in the volume of international trade, whether in terms of the value of their oil exports and derivatives or their imports of various types of goods.

These countries have highly open economies with no significant restrictions on trade, capital movement, or investment.

These countries are also free of direct taxes on the income of individuals and domestic companies in most cases, and indirect taxes are relatively limited.

Since its establishment, Member States of the GCC have made determined efforts to develop their economic cooperation plans. Within the framework of their Customs Union Agreement, they have been able to coordinate their trade laws, remove customs barriers, increase the volume of intra-trade between their countries, unify customs tariffs on imports, simplify customs port procedures, unify customs measures and forms, automate customs work, and establish automatic links between the customs of the Member States, using a clearing mechanism to settle the dues of each Member State for customs duties on foreign goods that are now imposed at the first point of entry. The Customs Union has also enabled the GCC countries to form a relatively large international negotiating force in the field of import and export.

On the other hand, GCC Member States continue to make successive efforts to activate the provisions of the Common Market Agreement, which seeks to achieve regional economic citizenship by treating natural and legal citizens of the GCC states in any Member State the same as its own citizens, without discrimination in terms of the right to residency, work in the governmental, civil and private sectors, social insurance and retirement, practicing professions and crafts, engaging in all economic, investment and service activities, owning real estate, transferring capital, tax treatment, trading in securities, establishing companies, and providing health care, educational, and community services. However, due to several domestic legislative obstacles, these provisions have achieved less success than expected.

This paper aims to provide an objective assessment of competition laws in GCC countries, focusing on their comprehensiveness in addressing key areas of competition policy. To our knowledge, there are few studies that have systematically examined competition laws within the GCC. Our analysis offers insights into the extent of coverage provided by these laws in each GCC country and helps identify regulatory gaps that need to be addressed.

The remainder of the paper is organized as follows: section 2 describes the market structure and competition laws in the GCC. Section 3 provides an overview of the existing literature on competition laws. Section 4 outlines the methodology employed in the study. Section 5 presents the results of the analysis. Finally, section 6 concludes the paper.

2. Market Structure and Competition Laws in the GCC Countries

The market structure in the GCC countries shows varying degrees of monopoly across different sectors. The transformation of the Gulf States into modern economies was driven by the discovery of oil and gas in the mid-twentieth century. Government ownership of hydrocarbon wealth led to extensive state involvement in large public enterprises across sectors such as utilities, transportation, finance, and basic industries. The surge in oil prices during the 1970s further solidified public sector dominance, marginalizing the private sector and limiting competition. Government enterprises' monopoly power was reinforced by various privileges, including customs exemptions, nominal land and utility prices, and subsidized fuel.

However, in the past three decades, and in line with global trends, many GCC countries have moved towards privatization and public–private partnerships. For example, Saudi Arabia has privatized parts of its mining, telecommunications, and banking sectors and brought the private sector into infrastructure projects. There are also plans to privatize certain sectors such as transportation, ports, education, health, energy, industry, mineral resources, and sports clubs. In Kuwait, between 1994 and 2001, the government sold state shares in more than thirty local public shareholding companies. It adopted the Build, Operate, and Transfer (BOT) program, through which the private sector has implemented about 100 investment projects in areas of infrastructure, malls, food outlets, health and education services, and other fields. It has also issued a law regulating privatization. Despite these changes, the public sector still has significant influence, and a large part of GDP in these countries remains concentrated in the hands of state-owned companies.

2.1 Competition Laws in the GCC

Competition laws in the GCC countries are relatively new, having been in place for about two decades. The first such law was implemented in Saudi Arabia in 2004, followed by Qatar in 2006, Kuwait in 2007, the United Arab Emirates in 2012, Oman in 2014, and finally Bahrain in 2018. These laws have been updated in four of the countries, reflecting their commitment to modernizing legal frameworks in response to evolving international regulatory and organizational standards. In addition, as shown in Table 1 below, four GCC countries have independent competition agencies, while two (Bahrain and the United Arab Emirates) do not. It is worth mentioning that the GCC countries have been working during recent years on drafting a common law that harmonizes the national laws into one, but no agreement has been reached yet.

Table 1. Competition Laws and Agencies in the GCC Countries

Country	Competition Law?	Year Issued	Amendments	Own Competition Agency?
Bahrain	Yes	2018	-	No. Ministry of Commerce and Industry
Kuwait	Yes	2007	2012–2020	Yes
Oman	Yes	2014	2018	Yes
Qatar	Yes	2006	-	Yes
Saudi Arabia	Yes	2004	2014–2019	Yes
UAE	Yes	2012	2014, 2024	No. Ministry of Economy

1. ESCWA, Arab Business Legislative Frameworks. publications-escwa@un.org (2023).

The Kingdom of Saudi Arabia, after becoming a member of the World Trade Organization (WTO) in 2004, was the first GCC country to adopt a competition law. The law and its related rules were enforced by a Competition Regulatory Council and applied to all non-governmental companies. However, provisions and articles of Saudi law are similar to those of other countries because the WTO guides their formulation as part of its technical assistance to Member States. The law prohibits all agreements and practices that are harmful to free competition, and prohibits natural and legal persons dominating the markets from misusing that dominance to influence prices or limit the free flow of products to and from the market, dumping the market to obstruct potential entrants, selling at less than cost, influencing bids, and halting manufacturing of goods or services. The Saudi law allows the Competition Regulatory Council not to apply any of these prohibitions if an act aims at improving efficiency or benefiting consumers in a way that outweighs its negative impact on competition.

The Saudi law defined market dominance as controlling 40% of sales for twelve months, or an entity or group of entities in a position that allows them to influence the prevailing price in the Saudi market. The law authorizes the Council to study the impact of any merger or acquisition before approving it. It also authorizes it to receive complaints or to initiate investigations about any action that limits competition. In 2017, the General Authority for Competition was established to replace the Council. In 2019, a royal decree replaced the 2004 law with a comprehensive system to regulate competition and specify the role of the Authority. The new system included regulating competition in electronic applications and platforms. In the same year, the Authority issued executive regulations for the system, and in 2023, the Saudi Capital Markets Regulatory Authority issued detailed executive regulations on the terms and processes of mergers and acquisitions.

Qatar was the second GCC country to adopt a competition protection law, in 2006 (Law 19), the executive regulations of which were issued in 2008. It also established a committee specializing in implementing the law, consisting of representatives from five government agencies and some independent experts. Its tasks include, in addition to monitoring conduct that harms competition in the markets, receiving reports related to violations of the provisions of the law, examining them and verifying their seriousness, considering merger and acquisition requests, determining their impact on economic concentration, and deciding on them within ninety days from the date of completion of the request. However, the Qatari law or its executive regulations did not specify the percentage that determines the dominance of a product or seller in the market.

Kuwait issued its first competition law in 2007 (Law 10). The provisions of this law do not differ substantially from those of the Saudi 2004 law. However, the law is devoid of a specific ratio for what could be considered market dominance. The law stipulated in its tenth article the establishment of a competition protection agency, subordinate to the Minister of Commerce and Industry, responsible for approving the policies and procedures necessary to protect and support competition, receiving complaints, conducting investigations and research, collecting evidence, and investigating cases of agreements and practices harmful to competition. In 2020, this law was replaced by a more comprehensive one (Law 72), with executive rules issued in 2021. The explanatory memorandum of the new law indicated that its issuance was due to shortcomings in the 2007 law, the ambiguity of some of its provisions, and the need to keep pace with rapid developments in the principles of protecting competition at the global and regional levels. The memorandum also states that the old law failed to make a precise and clear distinction between monopolistic practices and those that are competitive and legitimate — a distinction necessary for achieving a balance between the principle of free trade, on the one hand, and the need to control market power, on the other.

The United Arab Emirates (UAE), in a similar context, issued Law 4 of 2012 to protect and promote competition and combat monopolistic practices, so as to maintain a competitive market governed by the principle of economic freedom, prohibition of restrictive agreements, actions and behaviours that lead to the abuse of dominance, and monitoring of economic concentration. The UAE Ministry of Economy undertakes the tasks and competencies related to competition affairs as defined by the law. In 2023, a new law was issued to regulate competition (Law 36), and in the second half of 2024, the Ministry of Economy announced the imminent issuance of the executive regulations for this law, which had been shared with all relevant authorities. According to the Ministry, the new law was developed in cooperation and coordination with fourteen government agencies, in addition to relying on specialized international studies, to ensure access to updated and integrated legislation that creates an appropriate environment for increasing competitiveness and protecting consumers from practices that undermine competition, within the framework of activating new market mechanisms and enhancing economic efficiency.

The Sultanate of Oman issued Law 67 in 2014 to protect competition and prevent monopoly. Implementation of its provisions was tasked to the Public Authority for Consumer Protection. The law defined market dominance as the ability of an individual or a group working directly or indirectly to control or influence the market, including acquiring a percentage exceeding 35% of its size. The law provided for severe fines and penalties for infringements. In 2018, Oman established a centre for the protection of competition and the prevention of monopoly, which aims to supervise the implementation of the 2014 law, regulate the freedom to practice economic activity, establish the principle of market rules and price liberalization, and prevent any practices that may lead to restricting, limiting, or harming free competition. In 2021, Oman issued the executive regulations of the 2014 law, including details and essential additions, such as an expansion in defining types of cartels, descriptions of industrial concentration, and regulations of the exemptions process.

The Kingdom of Bahrain issued a comprehensive competition law in 2018 that included the establishment of an authority to encourage and protect competition. The law also defined market dominance as a single entity's share exceeding 40%, or a group of entities exceeding 60% of the market. Since 2019, the competition law in Bahrain has faced criticism from local merchants who claim it has exposed them to unfair competition, and that the market has become vulnerable to dumping, where many goods are offered below their cost. Subsequently, they demanded to be given some advantages over foreign traders.

2. Akhbar Al Khaleej Newspaper, issue: 15096, 23 Jul. 2019.

In summary, the process of enacting and amending laws regulating competition in the GCC region has seen significant expansion and development over the past five years. These advancements have primarily focused on laws to encourage and protect competition, addressing anti-monopoly concerns, and regulating market dominance. However, competition laws in the GCC countries tend to avoid explicit mention of cartels and lack detailed definitions of monopolistic or anticompetitive practices.

The enforcement of competition laws and regulations has also progressed, alongside improvements in the frameworks governing mergers of businesses and institutions. Aside from Saudi Arabia, most GCC countries do not publish detailed statistics on the numbers of cases investigated and resolved, requests for approval of mergers and acquisitions, and penalties imposed on violators. Saudi Arabia publishes annual reports that provide intensive information on the implementation of the law. Table 2 below shows a number of law-enforcement indicators for Saudi Arabia between 2017 and 2023.

Table 2. Law Enforcement Indicators in Saudi Arabia

Enforcement Indicators	2017	2023	Growth Rate (%)
Number of Board Decisions	18	109	505.5
Number of Complaints and Initiatives	69	141	104.3
Number of Economic Concentration Applications	43	313	628
Value of Fines (millions of Saudi Rials)	35.7	123.0	244.5

3. Literature Review

The assessment of the strength and comprehensiveness of competition laws has been the focus of many research papers over the past few decades. These assessments have been conducted for various reasons, including comparing the robustness of competition laws across different countries, evaluating the laws within a common group or bloc of nations, or assessing the legislation of an individual country.

Earlier studies often conducted comparative analyses of overall competition laws or specific provisions within them. A significant number of these studies have focused on comparing American and European competition laws, given their influence on national legislation worldwide. Joliet (1970) was among the first to compare US and European laws, specifically in terms of monopolization and the abuse of dominant positions. Subsequent research has further analysed these two legal systems, including works by Fox (1997), Gal (2004), Kovacic (2008), Cengiz (2012), Italianer (2013), Gifford and Kudrle (2014), and Kovacic, Mavroidis, and Neven (2014).

Other studies have conducted comparative analyses of competition laws among different groups of countries. For example, comparisons have been made between developing countries (Aydin and Buthe, 2016; Waked, 2008; Waked, 2014), among emerging economies (Kovacic, 1998), and between developing countries and established economies like the US and EU, or Japan (Iyori, 1995). Additional comparisons have been made between China, the EU, and the US (Gerber, 2004), Russia and the EU (Khokhlov, 2014), and Japan and the EU (Etsuko, 2014), as well as between Korea and Japan (Abir, 1996; Choi, 2010).

Looking at the competition issue from a global perspective, Hylton and Deng (2007) presented measures of the scope of competition law in 102 countries; their results showed that the scope of the law has a positive impact on perceived competitive intensity.

Regarding the GCC countries, a few studies (Casoria, 2016; Memeti, 2019; Alkandari, 2019) have assessed the competitiveness of the market environment in the region. These studies primarily conducted a qualitative comparison of the legislative frameworks of national competition laws. A recent study by Memeti & Jurkowska-Gomulka (2021) discussed the treatment of state-owned enterprises (SOEs) in the GCC countries; they concluded that all laws in the region give SOEs a comparative advantage over private enterprises, exempting them from the provisions of competition laws.

The only quantitative assessment of GCC competition laws was conducted by the United Nations Economic and Social Commission for Western Asia (ESCWA). ESCWA's series, titled 'The Arab Business Legislative Frameworks' (ABLF), provides an extensive evaluation across five key legislative fields: competition, consumer protection, anti-corruption, foreign direct investment, and corporate law in twenty-two Arab countries, including the GCC nations. The most recent report, published in 2023, assessed eight areas of competition: competition laws, international trade agreements, anti-dominance and monopolization laws, merger regulatory regimes, cartels and anticompetitive agreements, labour protection, competition enforcement practices, and liberalization and state intervention in regulated sectors. For the purposes of this research, the authors focus on five of these eight areas, as listed in Table 3.

The ABLF uses indicators to assess the competition legislative frameworks based on the Organization of Economic Cooperation and Development (OECD) working paper (Enrico et al., 2013) on competition law and policy indicators. Table 3 below shows the ABLF assessment of the GCC countries in the five areas of competition. As shown in the table, GCC countries' legislation varies greatly across the five areas, with Saudi Arabia having the strongest framework while Bahrain and the United Arab Emirates have the weakest. Overall, GCC laws are assessed as 'very strong' in only one area (Merger Regulatory Regime), 'strong' in three areas (Competition Laws, Antidominance and Monopolization Laws, and Competition Enforcement Practices), and only 'developed' — the weakest rating among those used — in one area (Cartels and Anticompetitive Agreements).

Table 3. ESCWA Assessment of Competition Laws in the GCC Countries

Country	Competition Laws	Antidominance & Monopolization Laws	Cartels & Anticompetitive Agreements	Competition Enforcement Practices	Merger Regulatory Regime
Bahrain	Developed	Developed	Developed	Strong	Very Strong
Kuwait	Very Strong	Strong	Very Strong	Very Strong	Very Strong
Oman	Developed	Strong	Moderate	Strong	Very Strong
Qatar	Strong	Strong	Strong	Developed	Developed
Saudi Arabia	Very Strong	Very Strong	Very Strong	Very Strong	Very Strong
UAE	Developed	Developed	Developed	Strong	Very Strong
GCC (average)	Strong	Strong	Developed	Strong	Very Strong

4. Rene Joliet, Monopolisation and Abuse of Dominant Position: A Comparative Study of American and European Approaches to the Control of Economic Power (Netherlands: Nijhoff 1970).

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25. Abdullah Al-Kandari, The Emergence of Competition Law in the Gulf Cooperation Council Countries and the Need for Common Competition Law and Policy, 7 Kuwait Int'l L. Sch. J. 125–146 (2019).

26. Nora Memeti & Agata Jurkowska-Gomulka, SOEs, Foreign Investments & Competition: A View from the Gulf States, 44 World Comp. 4 (2021).

27. ESCWA, supra n. 1.

28. Enrico Alemani et al., New Indicators of Competition Law and Policy in 2013 for OECD and non-OECD Countries (Springer International Publishing 2016).

29. ESCWA, supra n. 1.

4. Methodology

To measure the adequacy of the provisions of competition laws in the GCC countries, the authors adopt the methodology employed by Bradford et al. (2019). They utilized thirty-six variables, categorized into four groups reflecting different areas of legal provisions: authority provisions, and substantive provisions related to merger control, abuse of dominance, and anticompetitive agreements. Table 4 below outlines these categories and the associated variables. A detailed description of the thirty-six variables is provided in the Appendix.

30. Anu Bradford et al., The Global Dominance of European Competition Law Over American Antitrust Law, 16(4) J. Empirical Legal Studies 731–766 (2019).

The provisions are briefly described as follows:

Authority Provisions: These refer to the guidelines and rules that grant regulatory powers to competition authorities. This component includes aspects such as:

Coverage: the territorial scope of the law and any exemptions.

Penalties: provisions related to fines and imprisonment.

Private Litigation: the availability of private rights of action.

Substantive Provisions: These provisions encompass three main components:

Merger Control: guidelines for the merger process designed to minimize harm to competition, including pre-merger notifications and assessments of economic and public interest.

Abuse of Dominance: prohibited practices by dominant firms, such as limiting market access and manipulating prices to harm competitors.

Anticompetitive Agreements: regulation of agreements between market players that could undermine competition, including practices like price fixing, market sharing, and output limitations.

Table 4. Variables Used to Measure Substantive Provisions of the Laws

Authority Provisions	**Merger Control**	**Abuse of Dominance**	**Anticompetitive Agreements**
1. Private right of action	1. Pre-merger notification	1. General prohibition	1. Price fixing
2. Fines	2. Mandatory notification	2. Market Access	2. Market sharing
3. Imprisonment	3. Substantive assessment: economic	3. Tying	3. Output limitations
4. Divestitures	4. Substantive assessment: public interest	4. Discounts	4. Bid rigging
5. Damages	5. Efficiency defence	5. Unfair pricing	5. Tying
6. Extraterritoriality	6. Failing firm defence	6. Discriminatory pricing	6. Exclusive dealing
7. Industry exemptions	7. Public interest defence	7. Predatory pricing	7. Resale price maintenance
8. Enterprise exemptions – categorical		8. Resale Price Maintenance	8. Efficiency defence
		9. Other abusive acts	9. Public interest defence
		10. Efficiency defence	
		11. Public interest defence	

5. Analysis of Results

Using the methodology outlined in the previous section, the authors conducted a thorough analysis of the competition laws in the GCC countries covering the four areas of substantive provisions. Below are presented the main results for each area, highlighting the gaps in each country's competition law.

5.1 Authority Provision

Competition laws in the GCC region vary in the degree of enforcement powers granted to their relevant authorities to implement the provisions of the law. None of these authorities has the right to enforce fully all eight provisions. However, the highest level of provisions enforcement granted in this regard is in Saudi Arabia and the UAE, where it reaches about 75%, while the lowest is in Kuwait and Qatar (38%). The regional average is 56%.

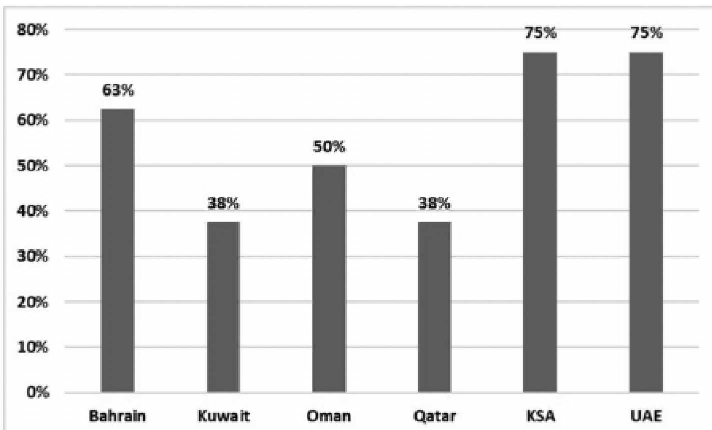

Figure 1. Authority Provision: Overall

When checking the extent to which the competent authorities in the six countries covered

the eight provisions of the law, the authors found that all six countries covered three provisions: fines, extraterritoriality, and enterprise exemptions. Three other provisions were covered in only two of the six countries: imprisonment, divestitures, and damages, while the industrial-exemption provision was the least covered, with the UAE being the only GCC country to implement it.

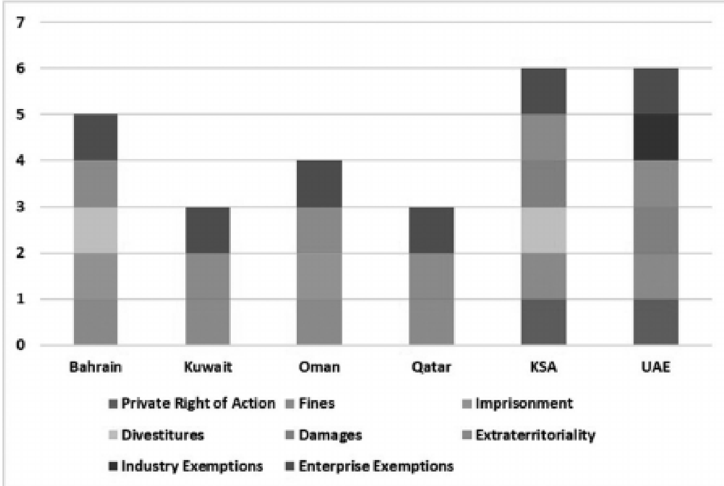

Figure 2. Authority Provision: Components

5.2 Merger Control

Moving on to the substantive prohibitions under the GCC competition laws, which cover three areas of competition — merger control, abuse of dominance, and restrictive agreements — the provisions focus on how to deal with matters that usually lead to limited competition in the market. If not regulated by law, such issues could harm the overall welfare of the economy, most importantly consumers and small producers.

In the first area of substantive prohibitions, merger control, the authors found that the provisions of the GCC competition laws vary in their coverage. None have complete coverage of the seven provisions. The highest degree of coverage is found in Oman and the United Arab Emirates, at 86%; the lowest is in Kuwait and Qatar, at 43%; and the regional average is 67%.

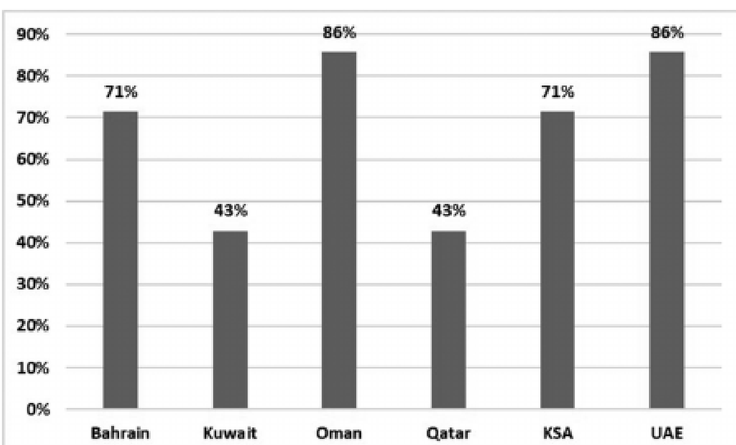

Figure 3. Merger Control: Overall

A closer look at the coverage of the seven merger-control provisions in the six countries shows that only two provisions are covered in all of them — pre-merger notification and mandatory notification — while five countries have provisions for substantive economic assessment. On the other hand, no country has a provision covering the failing-firm defence.

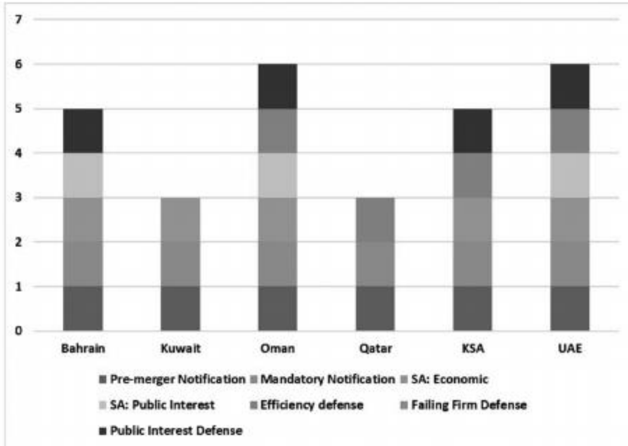

Figure 4. Merger Control: Components

5.3 Abuse of Dominance

The GCC competition laws show considerable variation in their coverage of provisions related to the abuse of dominance. None of these countries fully cover all eleven provisions in this area. However, this area has the highest overall coverage among the provisions analysed. Oman, Saudi Arabia, and the United Arab Emirates have the highest coverage rates among GCC countries, reaching 91%. In contrast, the lowest coverage is in Kuwait, with only 18%, while the average coverage across the region is 71%.

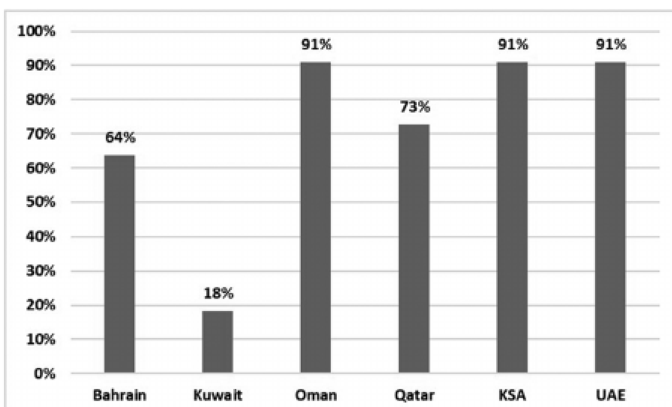

Figure 5. Abuse of Dominance: Overall

Investigating the coverage of the eleven provisions of the abuse-of-dominance area in the six countries, the authors find that all covered two provisions — general prohibition and market access. Five provisions were covered in all countries except Kuwait — tying, discriminatory pricing, predatory pricing, other abusive acts, and public interest defence — while the least-covered provision was discounts, which no country applies.

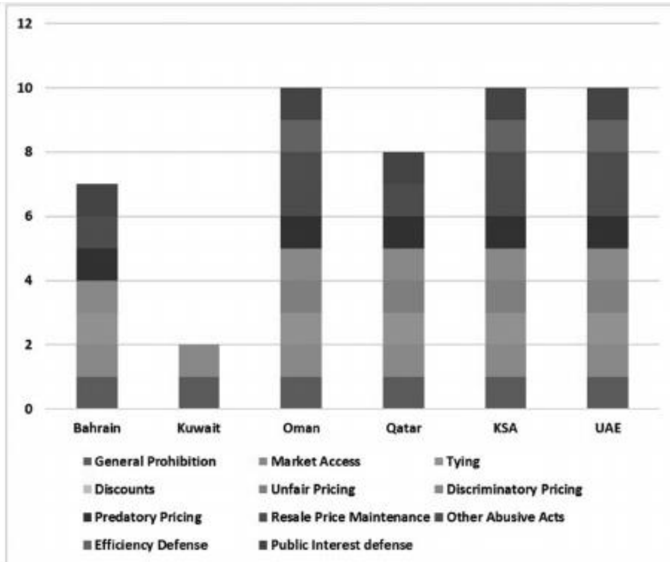

Figure 6. Abuse of Dominance: Components

5.4 Anticompetitive Agreements

The final component of the substantive prohibitions in the GCC competition laws is the regulation of anticompetitive agreements. In this area, there is relatively little difference in coverage levels among the GCC countries. While none of the countries fully cover all nine provisions, Oman leads with the highest coverage rate at 89%, followed by Bahrain, Saudi Arabia, and the United Arab Emirates at 78%. Kuwait and Qatar have a coverage rate of 67%. The average overall coverage for the entire region is 76% − the highest among the four provision areas analysed.

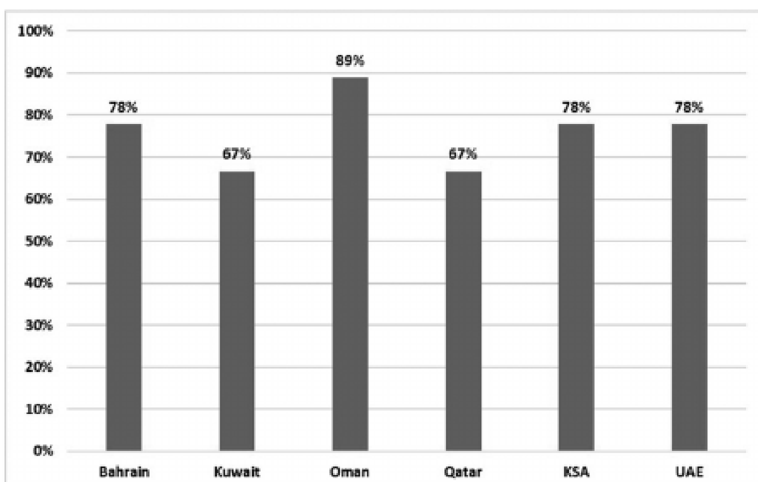

Figure 7. Anticompetitive Agreements: Overall

Finally, examining the coverage of the nine provisions of anticompetitive agreements in the six countries, the authors find that all countries covered five provisions: price fixing, market sharing, output limitations, bid rigging, and public interest defence. The laws of five countries included provisions for only two further components — exclusive dealing and efficiency defence — while no country has a provision covering resale price maintenance.

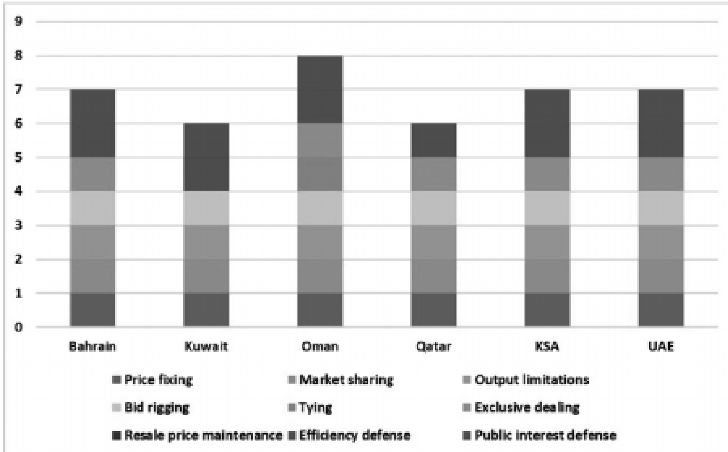

Figure 8. Anticompetitive Agreements: Components

6. Discussion and Conclusion

After reviewing the results of the comparative and gap analysis of competition laws in the GCC countries, which revealed significant variations in the coverage ratios across the four key areas of provisions, it is useful first to examine the overall findings, as depicted in Figure 9. It is evident that the United Arab Emirates has the highest overall coverage ratio, at 82%, followed closely by Oman and Saudi Arabia at 79% each. Bahrain and Qatar follow with coverage ratios of 69% and 55%, respectively. Kuwait ranks last, with the lowest coverage ratio of 41%. The variation in these coverage ratios raises concerns about the effectiveness of the 'Common Market' arrangement established by the region in 2003, which was intended to harmonize the legal framework among its Member States.

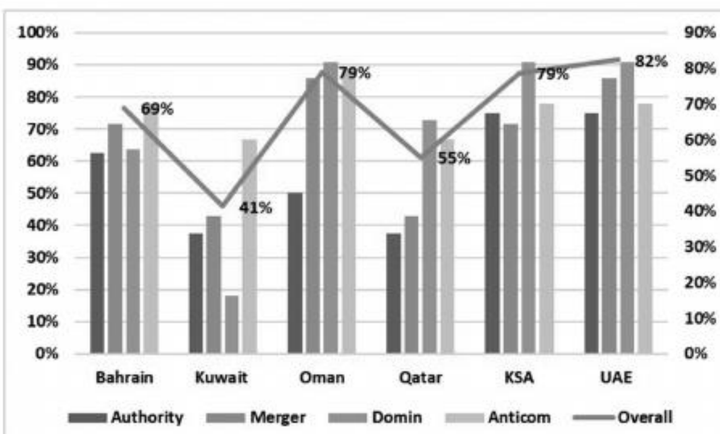

Figure 9. Overall Coverage

One clear recommendation from this research is for the GCC countries to undertake a collective review to align their competition laws with best international standards. As shown in Figure 9, Kuwait and Qatar, with the lowest coverage ratios, need to enhance their laws to catch up with the others. Among the four areas of provisions, 'Authority Provision' requires the most improvement, having the lowest coverage ratio at 56%; Kuwait and Qatar need to focus on this area in particular, as both have the lowest coverage ratios there, at 38%. The second area needing improvement is 'Merger Control', with a coverage rate of 67%; again, Kuwait and Qatar have the lowest rates, at 43%, indicating a need for improvement here as well.

Additionally, from the analysis of the provisions' coverage levels of the GCC competition and anti-monopoly laws in this paper, the researchers see a need to focus on establishing a regional agency to support competition and limit harmful practices, complementing the efforts of the national agencies entrusted with implementing these laws — especially in areas related to the GCC market as a whole, given that these markets are linked by a diverse package of economic and customs agreements.

For future research, this paper suggests a more thorough analysis of the actual implementation of competition laws in the region through several approaches. First, a similar analysis of the by-laws in the six countries could be conducted to obtain insights into the rigor of the enforced laws. Second, a review of Ministerial decisions issued over the years, which are often discretionary, could be informative. Third, and most importantly, reviewing court verdicts on cases brought by either the government or the private sector could shed light on the fairness and stringency of competition authorities in enforcing the law. Fourth, a survey could be conducted among a sample of stakeholders, including private-sector enterprises, civil society organizations, and competition authorities, which might reveal more detailed information on the applicability of the laws than other methods can capture. Finally, an empirical investigation could be undertaken to explore the relationship between the comprehensiveness of the laws, as found in this study, and the prevailing intensity of competition in each GCC country.

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