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Department:  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

## THE NATIONAL ASSEMBLY

### QUESTION FOR ORAL REPLY

#### QUESTION NO. 247

**Mr. D W Macpherson (DA) to ask the Minister of Trade, Industry and Competition:**

(a) On what legislation that falls within his department did he rely to enact financial and economic relief measures to low-income South Africans specifically during the state of national disaster and (b) to what effect has this been done? NO1579E

#### REPLY

During the course of addressing both the pandemic and the destructive and other effects of the disaster, the Ministry, Department and its agencies have utilised provisions of legislation within its mandate, including the Competition Act, the Consumer Protection Act and the National Credit Act, to identify measures that can be taken responsibly to support families and businesses in distress.

In addition, both the IDC and NEF have provided funding to businesses during the period of the national disaster as part of their respective mandates.

The IDC has thus far made R535m available for a range of essential Covid-related products, in partnership with among others youth and women empowered businesses and black industrialists.

In the case of the Competition Act, I have issued exemptions in terms of section 10(10) of the Act to support engagement between business and government in critical areas of the economy. This includes the following:

- Healthcare block exemption, which has allowed healthcare providers and facilities and suppliers of key medical and pharmaceutical goods and services to coordinate in supporting the National Department of Health in the fight against COVID-19;
- Banking block exemption, which has allowed banks and other financial service providers to coordinate their support for businesses and consumers during the national disaster;
- Hotel block exemption, which has enabled the hotel industry and the Departments of Tourism and Health to identify potential sites for quarantine needed to support the fight against COVID-19; and

- Retail landlord block exemption, which has allowed retailers in the clothing, footwear and home textiles sectors, restaurants, personal care services and cinemas to negotiate plans with their landlords to alleviate the effects of the pandemic on their businesses.

In addition, I have also designated the sugar industry in terms of section 10(3)(b)(iv) of the Competition Act, to allow the coordinated discussion and collaboration between sugar industry stakeholders, in terms of the proposed Sugar Masterplan, to support re-invigoration of the sugar industry which supports large numbers of farm workers and households, particularly in the eastern provinces of the country like KwaZulu-Natal and Mpumalanga.

I have also published regulations and directions, in terms of the Competition Act, 1998 (Act No 89 of 1998), the Consumer Protection Act, 2008 (Act No 68 of 008) and the regulations issued in term of Section 27(2) of the Disaster Management Act, 2002 (Act No 57 of 2002) (together the “Consumer and Customer Protection and National Disaster Regulations and Directions”) setting out the factors to determine, during the COVID-19 pandemic, if prices are either excessive or unjust in terms of the respective legislation, and requiring suppliers to develop and implement reasonable measures to ensure the equitable distribution of essential goods to the public. The Competition Commission has since imposed fines and other payments on 21 companies over the period, totalling more than R13 million. In addition, the National Consumer Commission imposed penalties on 4 companies for over-charging consumers.

In terms of the National Credit Act, the National Credit Regulator (NCR) has published a circular on 21 May 2020, to provide guidelines to credit providers on the issuance of emergency loans, and the documentation which constitute “reasonable proof”. Further detail on this process was provided in response Parliamentary Question 976 to the National Assembly on 8 June 2020.

**- END -**