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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NO. 261

DATE OF ORAL REPLY: 4 MAY 2022

Mr C N Malematja (ANC) to ask the Minister Trade, Industry and Competition:

In light of the fact that the concentration of the economy is an impediment to achieving structural transformation of the economy of the Republic following the Competition Commission's Report which measured increasing levels of concentration over 80 sectors of the economy, what (a) measures has his department put in place in order to implement the recommendations contained in the report of the Competition Commission and (b) collaborative effort is in place with other departments to urgently respond to the increasing levels of concentration in the economy of the Republic? [NO1625E]

REPLY:

(a) The Department and its entities' work has been focussed on three main areas

First, the implementation of the amendments to the Competition Act which represents a major step to address the challenges identified in the Report on Economic Concentration. These amendments include

- A change in the terms of reference for Market Inquiries, enabling a focus for the first time in our law on market structure, not only market conduct.
- A revised set of powers for the competition authorities to address forms of economic concentration that has the effect of limiting the entry or participation in markets by SMMEs and firms owned by historically disadvantaged persons.
- Strengthened provisions to address abuse of dominance;

- Considering the implication of economic concentration during merger applications, including measures to address these and
- actively promoting transformation of the economy through provisions in the Act.

Second, strengthening the resource-base of the Competition Commission through additional budgetary allocation for work on economic structure. This will assist the Commission with its research and conduct of Market inquiries.

Third, the commencement of the new Market Inquiry on Online Intermediation Platforms, which is expected to be concluded this year. The Market inquiry is the first to be done under the amended provisions of the Competition Act. The Commission has also published for comment the terms of reference for the proposed Market Inquiry into Fresh Produce.

- (b) The report has been presented to Cabinet and different entities for information and discussion, to assist with the development of a more coordinated approach, which will be part of the Department's 2022/23 Annual Performance Plan.

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