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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 4602.

Mr S Thambo (EFF) to ask the Minister of Trade, Industry and Competition:

- (1) Whether he and his department have been informed that the online retailer, Temu, has been promoting the existence of local warehouses in the Republic, despite not owning and/or directly operating any distribution centres; if not, what is the position in this regard; if so, what are the relevant details;
- (2) whether his department has evaluated the compliance of Temu's advertising and marketing strategies with the consumer protection and fair-trading laws of the Republic, particularly in relation to the labelling of products as local or local warehouse; if not, why not; if so, what were the findings;
- (3) whether his department will conduct an investigation into the business practices of Temu and its third-party logistics partners in the Republic to determine whether South African consumers are being misled by the platform's representations; if not, why not; if so, what are the relevant details;
- (4) what steps has his department taken to regulate and monitor foreign e-commerce platforms operating in the Republic to ensure (a) transparency, (b) fair competition and (c) consumer protection?NW5150E

REPLY:

The National Consumer Commission has advised me as follows:

- 1) The department has noted media reports that Temu has launched its "local warehouse" and the National Consumer Commission (NCC) shall be monitoring these developments and their impact on the domestic retail sector. The operations of Temu in the country have to comply with all relevant legislation, including the Consumer Protection Act, Act 68 of 2008 (CPA).
- 2) Temu, like any other company selling goods into the South African market directly to consumers, has to adopt advertising and marketing strategies that comply with the CPA and broader fair-trading laws of the Republic. The National Consumer Commission (NCC) in its 2025-2030 strategy has aptly prioritised e-commerce trade to ensure a fair and competitive marketplace that not only benefits consumers, but also promotes domestic production. The NCC will, in the 2025/2026 financial year, conduct a detailed internal scoping of the e-

commerce market in South Africa to identify if there are areas that require investigation in terms of the CPA.

- 3) While no formal complaints have been initiated or received against Temu, the NCC has noted concerns raised in other jurisdictions around issues of deceptive practices, quality and safety of products. These are some of the practices that the scoping of the e-commerce market seeks to understand, and to particularly assess if South African consumers are affected. The NCC, after gathering data, will determine if there is a reasonable suspicion to proactively initiate an investigation.
- 4) (a) The department is currently looking into finalising a broad framework for overcoming challenges and unlocking opportunities in the e-commerce sector with particular emphasis on domestic, inbound and outbound e-commerce, (b) From a regulatory perspective, there is scope to modernise and harmonize all e-commerce related laws, including the CPA and the Competition Act to ensure the sector remains competitive, promote the participation of local firms particularly Small and Medium Enterprises, and ensure fair business practices, and (c) More specifically, the department is considering inter alia measures to strengthen and align the CPA with the e-commerce ecosystem, through regulations or amendments to the CPA.

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