

MEDIA STATEMENT

30 November 2010

Joint Statement of the Competition Commission (CC), National Treasury (NT) and Economic Development Department (EDD)

The Competition Commission, National Treasury and Economic Development (“all parties”) have reached an agreement on their treatment of the penalties and remedies agreed to in terms of the consent agreement between the CC and Pioneer Foods.

The CC, NT and EDD agree that the Pioneer Settlement was resolved in an unprecedented and innovative way. This approach is one that should be supported, and nothing should be done to dilute the sanctions on the firms that violate the rights of consumers in terms of the Competition Act. With respect to the consent agreement reached between Pioneer and the Competition Commission, it is agreed that:

- a. all parties are committed to promote transparency, accountability and effectiveness in the management and use of national revenue in the spirit of the Constitution;
- b. all parties agree that the CC must be empowered with appropriate legal mechanisms to exercise its remedy options, and in the medium-term, they will collaborate to formulate appropriate legislative and other measures;
- c. Pioneer will pay R500 million into the National Revenue Fund in terms of the settlement agreement with the CC.
- d. EDD will submit a budgetary proposal and business case motivating for the creation of an Agro-processing Competitiveness Fund of R250 million to be administered by the Industrial Development Corporation (IDC).
- e. NT will submit the above proposals to the Ministers’ Committee on the Budget (MinComBud) and thereafter to Cabinet for consideration and approval in accordance with the agreement of Cabinet held on 24 November 2010,

The Minister of Economic Development and the Minister of Finance support the above agreement, and believe it will further the public interest.

End

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