



Private Bag X149, PRETORIA, 0001 • the dfl Campus, 77 Meintjies Street • Sunnyside, PRETORIA • Tel: +27 12 394 1006 • Fax: +27 12 394 0255
Private Bag X 9047, CAPE TOWN, 8000 • Tel: + 27 21 465 9800 • Fax: + 27 21 461 0428
e-mail: ministry@economic.gov.za • website: www.economic.gov.za

PRESS RELEASE

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THE MINISTER OF ECONOMIC DEVELOPMENT TABLES THE COMPETITION COMMISSION'S ANNUAL REPORT FOR THE 2010/11 FINANCIAL YEAR

The Minister of Economic Development, Mr. Ebrahim Patel has today tabled the Competition Commission's Annual Report for 2010/11 in Parliament as per the requirement of Section 55 (3) of the Public Finance Management Act, 1999.

The Competition Commission's Annual Report records significant progress in tackling anti-competitive conduct in the 2010/11 financial year.

Minister Patel noted that the year under review has been characterized by several accomplishments. "One of the greatest accomplishments has been achievements in settling enforcement cases and addressing bid-rigging in the construction sector," said Minister Patel.

"At the same time, challenges to anti-competitive behaviour have also generated intense public discussion which will be of benefit long-term to the maturing of the institution," he said.

Significant accomplishments in the period under review include:

- Increased number of merger notifications – of the 229 notified mergers, 200 were unconditionally approved, 14 approved with conditions, and 2 were prohibited. Significant mergers considered by the institution include the Walmart/Massmart, Pioneer Hi-bred/Pannar Seed, and Kansai/Freeworld.
- Increased number of settlement agreement to resolve enforcement cases – 22 settlements were reached and a total of R794 million administrative penalties were levied of which R490 million was paid into the National Revenue Fund through the Economic Development Department. This included the innovative settlements reached with Pioneer Foods and Sasol Chemical Industries. The Commission also constructed creative behavioural and structural remedies to ameliorate anti-competitive effects in concerned markets.

- A fast track settlement process was launched in the construction sector and will be finalized in this current financial year. The process seeks to incentivize construction firms to settle with the Commission in return for reduced penalties.
- Growing international role – the Commission continued to contribute in the international competition law enforcement and was integrally involved in setting up the African Competition Forum. The Commission also received a number of awards from international agencies like the GCR recognizing contribution.

Issued by: Zubeida Jaffer
Communications Specialist
ECONOMIC DEVELOPMENT DEPARTMENT
Mobile: 082 698 6677

Further Information:

Oupa Bodibe, Manager: Advocacy & Stakeholder Relations
(012) 394 3267 / 082 563 6960 / OupaB@compcom.co.za