



competition commission
south africa

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COMPETITION COMMISSION CELEBRATES WORLD COMPETITION DAY

Today, Monday 05 December 2016, the Competition Commission will join a coalition of competition authorities and civil society organisations around the world in commemorating World Competition Day.

On this day, 5th December 1980, the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices (UN Set) were approved by the UN Conference on Restrictive Business Practices.

World Competition Day highlights the potential benefits from an effectively implemented competition regime and calls on consumers to play their role in making competition regimes work worldwide.

A recent World Bank study on competition policy in South Africa showed that by tackling four cartels in wheat, maize, poultry and pharmaceuticals (goods that amount to just over 15% of the consumption basket of the poorest 10% in South Africa), the reduction in the overcharge in prices is estimated to have reduced overall poverty by at least 0.40 percentage points. Some 202,000 individuals were made better off and lifted above the poverty line through the lower prices that followed the action taken by the South African competition authorities against these four cartels. The savings put an additional 1.6% back into the pockets of the poorest 10% by raising their disposable income, the World Bank's report demonstrated.

The African Competition Forum, a network of 35 African regional and national competition authorities, collaborated with the World Bank to produce a report released in June 2016 which found that the retail prices of ten key consumer goods (including bread, milk, eggs, potatoes and frozen chicken) are on average 24% higher in African cities than in other economies around the world. 78% of African countries rank in the bottom half of countries globally on the perceived intensity of local competition according to the WEF's Global Competitiveness Index.

"There is a general recognition across jurisdictions worldwide of the importance of competition law for both economic growth and inclusivity," said the Commissioner of the Competition Commission, Tembinkosi Bonakele.

He added that the Commission will embark on a national advocacy road show in 2017 and hopes to engage with stakeholders on competition related barriers which have a negative impact on investment, productivity, innovation and entrepreneurship, amongst many other relevant issues.

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