



**competition commission**  
*south africa*

**PRESS RELEASE**

**IMMEDIATE RELEASE**

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**THE COMPETITION COMMISSION REFERS CONSENT AGREEMENT WITH PICK N PAY TO THE  
COMPETITION TRIBUNAL FOR CONFIRMATION**

The Competition Commission (Commission) is pleased to announce the signing of a consent agreement reached with Pick n Pay Retailers Proprietary Limited (Pick n Pay) to eliminate exclusive leases in shopping malls in compliance with the recommendations of the Grocery Retail Market Inquiry (GRMI). This agreement has been referred to the Competition Tribunal for confirmation.

In its final report, the GRMI found that Long-Term Exclusive Lease Agreements are widely prevalent in the grocery retail sector and give rise to customer harm as they limit consumer choice and reduced competition within Shopping Centres. Furthermore, such agreements prevent the participation of SMEs and historically disadvantaged persons in the grocery retail sector.

In line with this, Pick n Pay (including all its grocery retailing brands such as Boxer) has undertaken to do the following:

- waive exclusivity against small and independent grocery retailers; speciality and limited line stores in all shopping centres with immediate effect;
- waive exclusivity against supermarkets owned and controlled by historically disadvantaged persons, including independent franchisees or members of buyer groups, in all shopping centres with immediate effect;
- phase out exclusivity against other supermarket chains over six years ending 31 December 2026; and
- not sign any new lease agreements that contain exclusivity clauses.

Pick n Pay also undertook that within a period of twelve months it will seek to secure the agreement of its franchisees to cease the enforcement of exclusivity provisions in their lease agreements as well as ensure that they do not sign any new lease agreements that contain exclusivity clauses.

The Pick n Pay agreement follows the confirmation of a consent agreement with Shoprite Checkers to end exclusive leases last week and represents a significant step towards the elimination of this practice in the grocery retail sector of the economy.

“The agreement reached with Pick n Pay is a further significant step in removing barriers to entry and participation for SMMEs and historically disadvantaged individuals in the South African grocery retail sector. The immediate removal of these barriers is critical in light of the need to rebuild the economy and set it on a sustainable and inclusive growth path. The increase in choice as a result of this agreement is not only good for consumers but also the retail property sector as tenant diversity in shopping centres allows for a more stable and commercially sustainable environment.” said Competition Commissioner, Tembinkosi Bonakele.

**[ENDS]**

**Issued by:**

Siyabulela Makunga, Head of Communication/Spokesperson

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 072 768 0238 / 067 421 9883

Email: [SiyabulelaM@compcom.co.za](mailto:SiyabulelaM@compcom.co.za)

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