



**competition commission**  
*south africa*

**Media Release**

**For Immediate Release**

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**Draft Guidelines on collaboration between competitors on localisation initiatives  
published for comments**

On 13 August 2021, the Competition Commission (“Commission”) issued draft guidelines on collaboration between competitors on localisation initiatives for public comment in terms of section 79(3) of the Competition Act No. 89 of 1998 (as amended) (“Act”) in Government Gazette number 44981.

In response to the economic consequences of the Covid-19 pandemic, government developed the Economic Reconstruction and Recovery Plan (“ERRP”) which maps out interventions aimed at promoting inclusive growth and employment in the domestic economy. One of the key objectives of the ERRP is increased localisation – increasing the share of total procurement of an identified input from local suppliers and decreasing the share of procurement of imports of the same input.

In terms of the draft Guidelines, a “localisation initiative” is any project or effort to achieve greater levels of local procurement or production. Localisation initiatives may be initiated by Government or private players themselves. Government-initiated localisation initiatives may include initiatives such as the Department of Trade, Industry and Competition’s (DTIC’s) CEO Localisation Initiative or localisation initiatives that arise of the DTIC’s Master Plan processes. In addition, localisation initiatives may be initiated by any government entity. Outside of government, the Commission recognises that industry participants/market players may also wish to engage in initiatives to increase localisation in terms of the ERRP, and in line with government policy.

Collaboration amongst competitors may be required in order to advance such localisation initiatives - whether led by Government or industry. The draft guidelines have been developed to guide the process by which such collaboration between competitors may occur and aim to provide guidance to industry and government as to how localisation initiatives may be appropriately identified and implemented, in a manner that does not raise competition concerns. The draft guidelines are in respect of localisation processes and relate to collaboration amongst purchasers and/or suppliers of products earmarked for greater localisation.

Interested parties may submit written submissions on the draft guidelines in terms of section 79(3) of the Act by 27 September 2021. The draft guidelines are available on the Commission's website ([https://www.compcom.co.za/wp-content/uploads/2021/08/44981\\_13-8\\_NationalGovernment.pdf](https://www.compcom.co.za/wp-content/uploads/2021/08/44981_13-8_NationalGovernment.pdf) )

or upon request.

**[ENDS]**

**Issued by:**

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