



competition commission
south africa

Media Statement

For Immediate Release

29 September 2023

COMPETITION CONFERENCE HIGHLIGHTS IMPACT OF MERGER CONTROL ON SA ECONOMY

The opening day of the 17th Annual Competition Law, Economics, and Policy Conference on Thursday, 28 September 2023, featured Commissioner Doris Tshepe and Minister of Trade, Industry, and Competition Ebrahim Patel, who discussed the Commission's growing application of public interest conditions and their impact on job preservation and creation. These conditions are integral during the assessment of mergers and acquisitions.

In his keynote address to delegates at the Canvas Riversands Conference Centre, Fourways, Johannesburg, Minister Patel said over the past five years, the Commission's proactive approach and application of the public interest conditions yielded some R67-billion in new investments flowing into the country's economy while safeguarding 236 000 jobs. Additionally, approximately 22 000 jobs were created during the same period through the implementation of public interest conditions within the corporate sector.

Minister Patel further explained how R20-billion in salaries had been preserved as a direct result of these public interest interventions, while approximately 143 000 workers are now shareholders in their respective companies, thanks to the expansion of public interest criteria. Additionally, the conditions unlocked R19-billion in cumulative local procurement, with a focus on prioritising procurement from small and medium-sized enterprises (SMEs) and black-owned firms, with almost R1-billion invested in skills development programs as part of merger commitments, benefiting employees and local communities.

Minister Patel reaffirmed the government's commitment to using public interest conditions as a strategic tool for advancing economic transformation and promoting equitable growth in South Africa.

In her opening address, Commissioner Tshepe hailed the Commission for continuing to make significant strides in competition law enforcement, particularly concerning inclusive economic growth, and highlighted how in the past financial year, the Commission recommended and/or imposed conditions in 68 mergers, resulting in a net saving of 2 243 jobs. "We now take it as well understood that merger regulation has a crucial role to play in promoting inclusivity and worker participation," said Commissioner Tshepe.

Commissioner Tshepe announced the publication of draft revised public interest guidelines which now clarify that the competition and public interest assessment are equal in status and that a public interest assessment is mandatory in all merger transactions, whether or not they are likely to result in a substantial lessening or prevention of competition.

Gathering under the theme “***Towards Competitive Markets, Transformation and Deconcentration***”, day one of the two-day conference cast the spotlight on inflation and competition enforcement in food and agro-processing where panellists explored how competition enforcement may best engage the issues around food inflation. Other discussions centered around how to take merger control forward if it is to prevent undue concentration and contribute to deconcentration more effectively.

Today, delegates will immerse themselves in critical discussions surrounding the healthcare and energy sectors, both have undergone substantial transformations in the past year. Healthcare has been marked by the historic passing of the National Health Insurance (NHI) Bill, while the energy landscape has been shaped by the surge in blackouts, paralleled by the burgeoning growth of alternative energy markets in South Africa. In addition to these pivotal topics, Judge President of the Competition Appeals Court, Justice Norman Manoim, will provide insights into the resilience of the Competition Act, a quarter of a century after its enactment.

[ENDS]

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