



competition commission
south africa

Media Statement

For Immediate Release

11 October 2023

**SMEs AND PUBLIC SCHOOLS - BIG WINNERS IN COMMISSION AND UNILEVER SETTLEMENT
AGREEMENT**

The Competition Commission (“Commission”) welcomes the decision by the Competition Tribunal (“Tribunal”) to confirm as an order the consent agreement reached with Unilever South Africa (Pty) Ltd (Unilever).

In terms of the Tribunal’s order handed down on Monday, 9 October 2023, Unilever has agreed to pay an administrative penalty of R16 million without admitting liability. Unilever will also establish an Enterprise and Supplier Development Fund worth R40 million. This fund will offer interest-free business loans to qualifying black-owned entities in the manufacturing, logistics, and wholesale industries in South Africa, provided they meet Unilever’s credit and selection criteria. This includes support for black-owned manufacturing companies requiring startup capital to enter the logistics, wholesale, and distribution sectors.

Furthermore, Unilever has committed to a range of initiatives as part of this agreement, including an increase in the aggregate annual value of its procurement of products and services from local entities by a minimum of R340 million over a four-year period. Additionally, Unilever will donate hygiene, disinfectant, and oral care products valued at R3 million to no fewer than 18,780 public schools over a period of five years.

In 2017, the Commission initiated legal proceedings against Unilever and Sime Darby Hudson Knight (Pty) Ltd (Sime Darby), alleging possible market division practices that spanned from 2004 to 2013. Our investigation revealed that both companies had entered into a Sale of Business Agreement, which included a non-compete clause restricting their production and supply of certain pack sizes of margarine and edible oils, potentially contravening section 4(1)(b)(ii) of the Competition Act No. 89 of 1998 (as amended). Sime Darby had previously settled with the Commission in July 2016.

In welcoming the Tribunal's confirmation of the agreement, Commissioner Doris Tshepe said: "As we move forward, this agreement will go a long way in fostering healthy competition and driving positive change in South Africa's business landscape."

ENDS]

Issued by:

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