ANNUAL REPORT | 2024/25

a growing, deconcentrated and inclusive economy

competitioncommission south africa

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Public Entity's General Information

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The Competition Commission declares zero tolerance for fraud and corruption and intends serving the South African people by remaining true to its mission.

Pledge of the Accounting Authority and EXCO:

Internally and externally, the Accounting Authority and Management vow to combat fraud and corruption as part of their duties of ensuring and maintaining effective Risk Management.

Use the National Anti-Corruption Hotline 0800 701 701 to report any suspicious fraudulent and corrupt activities.

2. LIST OF ABBREVIATIONS/ACRONYMS

ACF	African Competition Forum
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
AVE	Advertising Value Equivalency
BBBEE	Broad Based Black Economic Empowerment
CAC	Competition Appeal Court
CD	Cartels Division
CFO	Chief Financial Officer
CLP	Corporate Leniency Policy
Competition Act	Competition Act
ConCourt	Constitutional Court of South Africa
CRESSE	Competition and Regulation Summer School and Conference
CSD	Corporate Services Division
DAFF	Department of Agriculture, Forestry and Fisheries
DMRE	Department of Mineral Resources & Energy
EAP	Economically Active Population
EEA	The Employment Equity Act
ERB	Economic Research Bureau
HDPs	Historically Disadvantaged Persons
HR	Human Resources
ICN	International Competition Network

ICT	Information and Communication Technology
IRC	Information Resource Centre
ISPs	Internet Service Providers
LSD	Legal Services Division
M&A	Mergers and Acquisitions Division
MCD	Market Conduct Division
NDP	National Development Plan
OTC	Office of The Commissioner
PFMA	Public Finance Management Act
	No. 1 of 1999, as amended
SADC	Southern African Development Community
SARS	South African Revenue Service
SCA	Supreme Court of Appeal
SCM	Supply Chain Management
SMEs	Small and Medium Sized Enterprises
The Commission	Competition Commission of South Africa
The dtic	Department of Trade, Industry and Competition
The Tribunal	Competition Tribunal
ToRs	Terms of Reference
TR	Treasury Regulations

3. GLOSSARY OF TERMS

For the purpose of this report, the meaning of the following terminology is explained below:

“Abuse of dominance” means engaging in prohibited practices in terms of Sections 8 and 9 of the Competition Act.
“Advisory Opinion” refers to a non-binding written opinion provided by the Commission to a requester, who may be an individual or a firm, setting out the Commission’s likely view on the subject matter of the opinion.
“Advocacy” refers to activities aimed at the promotion of voluntary compliance to the Competition Act, through non-enforcement mechanisms.
“Consent Agreement” refers to an agreement concluded between the Commission and a respondent, and which is confirmed as an order of the Competition Tribunal in terms of Section 49D of the Competition Act, setting out: (i) the alleged contravention, (ii) where appropriate, an admission by the respondent, (iii) a penalty where applicable and (iv) where applicable, a remedy addressing the harm occasioned by the alleged contravention of the Competition Act.
“Enforcement” refers to the investigation and/or prosecution of anti-competitive conduct.
“Exemptions” refers to the granting of exemption from prosecution to firms for engaging in anti-competitive conduct for a specific period of time, through the process and criteria prescribed in Section 10 of the Competition Act.
“Non-referral” means that, after conducting an investigation, the Commission has decided not to refer a particular case to the Competition Tribunal for prosecution.
“Public interest” refers to the consideration of factors set out in Section 12A of the Competition Act, in the evaluation of mergers and acquisitions applications.
“Referral” refers to the submission by the Commission of a complaint to the Competition Tribunal for prosecution, upon completion of its investigation.

4. DRAFT MINISTER'S FOREWORD

Mr Parks Tau, MP

Minister of Trade, Industry and Competition

I am pleased to present the 2024/25 Annual Report of the Competition Commission of South Africa (the Commission). The report is not merely a compendium of activities and achievements; it is a testament to our collective endeavour towards building a more equitable, inclusive, and prosperous South Africa. The work encapsulated within these pages directly articulates and reinforces the core tenets of our national development agenda, affirming the indispensable role of robust competition policy in achieving our strategic objectives.

We stand at a pivotal juncture, in South Africa, grappling with multifaceted challenges while simultaneously embracing opportunities for growth and industrialisation. The mandate of the Department of Trade, Industry and Competition (the dtic) is unequivocally clear: to foster an economic environment that champions industrial development, promotes investment, expands trade, and crucially, ensures broad-based economic participation. It is within this expansive framework that the Commission's efforts, detailed in this report, resonate with significance.

The Competition Act, our foundational legislative instrument, is a living embodiment of our democratic values, designed to address historical imbalances and to dismantle structural impediments to economic justice. It is a powerful tool in our fight against concentrations of economic power that stifle innovation, limit choice, and extract undue rents from the pockets of ordinary South Africans. The Commission's diligent application of this Act, as evidenced by the outcomes presented, demonstrates a steadfast commitment to creating a level playing field where small and medium-sized enterprises

(SMEs) can thrive, where consumers benefit from competitive pricing and quality, and where new entrants can disrupt established markets, fostering dynamism and resilience. However the Competition Act seeks, not only to level the competitive playing field, but to encourage the entry and expansion of those previously excluded from sharing meaningfully in South Africa’s landscape. For this reason the Commission’s annual report also highlights the institution’s endeavours to break down barriers to entry and participation for the historically disadvantaged.

This Annual Report delineates how the Commission’s work directly contributes to several national priorities. Firstly, promoting industrialisation and job creation remains at the apex of our economic strategy. By scrutinising mergers and acquisitions, investigating cartel conduct, and addressing abuses of dominance, the Commission safeguards industrial capacity, and encourages investment in productive sectors. The report highlights instances where interventions have preserved local industries, ensuring that domestic manufacturing capabilities are not eroded by anti-competitive practices. This aligns seamlessly with our industrial policy, which serves as the centrepiece of our economic development strategy, mobilising an all-of-government and all-of-society approach towards manufacturing-led growth. We recognise that manufacturing creates jobs in upstream and downstream sectors, providing permanent, decent-paying employment with opportunities for skills development and career advancement. The Commission’s vigilance ensures that the benefits of industrialisation are not confined to a select few but are diffused across the economic landscape.

Secondly, the Commission’s relentless pursuit of localisation and increased domestic value addition is vital. Our commitment to local procurement is a strategic imperative to create early-stage demand in targeted sectors and to stop exporting jobs. The report showcases how the Commission has actively intervened to prevent practices that undermine local alternatives, thereby bolstering local supply chains and strengthening our domestic productive base. This is particularly crucial in sectors identified for master plans, such as Autos, Clothing, Steel, and Poultry, where the dtic has worked to support localisation, increased investment, exports, and job retention. The Commission's efforts complement these initiatives by ensuring that domestic producers face fair competition, enabling them to grow and expand their market presence.

Furthermore, the report underscores the Commission’s pivotal role in fostering an inclusive economy and empowering historically disadvantaged individuals. The socio-economic objectives enshrined in the Competition Act mandate us to address the legacy of apartheid and promote broad-based black economic empowerment (B-BBEE). Through its advocacy work, market inquiries, and enforcement actions, the Commission actively seeks to dismantle barriers to entry for black industrialists, women, and youth-owned businesses. This ensures that the benefits of economic growth are widely shared and that our economy becomes truly reflective of our diverse society. The Commission's work in addressing barriers to entry and promoting equitable participation is a direct contribution to the demographic transformation of economic participation, including B-BBEE, Black Industrialists, and Worker Share Ownership, as envisioned in our broader industrial policy.

The Commission's work also extends to expanding and improving South Africa's export footprint. While our domestic market has its limitations, South Africa's strategic location and global standing present significant opportunities for expanding exports. The Commission's engagement in international forums and its collaboration with competition authorities globally, as highlighted in the report, are instrumental in ensuring that South African firms can compete fairly in international markets. This includes active participation in platforms such as BRICS, the African Continental Free Trade Area (AfCFTA), the African Growth and Opportunity Act (AGOA), and the Economic Partnership Agreement with the European Union. By promoting competitive markets at home, the Commission strengthens the capacity of our enterprises to become globally competitive, thereby contributing to our export-led growth strategy.

Moreover, the report illustrates the Commission's commitment to consumer welfare. In a competitive market, consumers are the ultimate beneficiaries of lower prices, higher quality, and greater choice. The Commission's actions against exploitation, cartels, and other anti-competitive behaviours directly protect the purchasing power of households, particularly those most vulnerable. This is fundamental to ensuring that economic progress translates into tangible improvements in the lives of all South Africans.

In conclusion, this Annual Report is a robust affirmation of the Competition Commission's dedication to its mandate and its profound contribution to South Africa's national priorities. Its insights and achievements provide a clear roadmap for further collaboration between the dtic, the Commission, and all stakeholders to unlock the full potential of our economy. The electorate expects political parties of the Government of National Unity to work together constructively for the benefit of all South Africans. The dtic Group, and by extension the Competition Commission, is fully committed to this principle.

I extend my sincere gratitude to Commissioner Doris Tshepe, the Deputy Commissioners, the Executive Committee, and every member of the Commission team. Your dedication, diligence, and expertise in upholding the principles of fair competition and inclusive growth are invaluable to the economic future of our nation. Your work is a cornerstone upon which a more prosperous, inclusive, and competitive South Africa is being built.

Mr Parks Tau, MP

Minister of Trade, Industry and Competition

5. DRAFT DEPUTY MINISTER'S FOREWORD

Mr Zuko Godlimpi, MP

Deputy Minister of Trade, Industry and Competition

It is with great pleasure that I endorse the 2024/25 Annual Report of the Competition Commission of South Africa. This document serves as a critical reflection on our collective efforts to shape an economic landscape that is not only robust and dynamic but also fundamentally just and inclusive. As we navigate the complexities of global and domestic economic realities, the operational insights and achievements detailed in this report are instrumental in guiding our strategic interventions within the dtic and advancing our broader national objectives.

The current administration has made it unequivocally clear that industrial policy will be the starting point of state-wide policy, rather than merely an afterthought. This approach anchors our macroeconomic policy on industrial development, moving beyond a purely speculative or extractive economic paradigm. It is within this transformative context that the work of the Competition Commission becomes ever more critical. Their efforts are not merely about penalising anti-competitive behaviour; they are actively constructing the conditions necessary for industrialisation, fostering domestic value chains, and ensuring that our economic growth is sustainable and widely distributed.

This Annual Report directly speaks to the dtic's priorities, particularly through its emphasis on a three-stream transformation perspective: demographic transformation, industrial transformation, and spatial transformation.

Firstly, in the realm of demographic transformation, the Commission's actions have a tangible impact on broadening economic participation. The report illustrates the Commission's work in addressing barriers that hinder the entry and growth of Black Industrialists, women, and youth-owned enterprises. Through market inquiries that unearth exclusionary practices and enforcement actions that level the playing field, the Commission directly supports the dtic's mandate to foster inclusive economic participation. This is about ensuring that the benefits of our economy are not confined to a privileged few, but rather extend to all South Africans, particularly those historically marginalised. The commitment to B-BBEE and worker share ownership initiatives, as highlighted by the Commission's efforts, is a practical manifestation of this imperative.

Secondly, the report's operational details underscore the Commission's contribution to industrial transformation. We are striving to shift our economy from a "pit-to-port mining paradigm" to one that prioritises higher domestic processing, beneficiation, and the manufacturing of final consumer goods for global markets. The Commission's rigorous oversight of mergers, its investigations into cartel conduct, and its efforts to curb abuses of dominance are crucial in this regard. By preventing the consolidation of power that could stifle innovation or limit local production, the Commission ensures that our nascent and established industries have the space to grow, innovate, and compete. This aligns with our efforts to improve the structural profile of the South African economy, ensuring its output is based on a sustainable and distributive platform. For instance, interventions that prevent predatory pricing or exclusive agreements enable smaller, local manufacturers to gain market access and scale, thereby contributing directly to our industrialisation agenda.

Thirdly, the report touches upon the Commission's influence on spatial transformation. By addressing anti-competitive practices across various sectors, including those that disproportionately affect rural areas or townships, the Commission helps to stimulate economic activity and foster localised development. Ensuring competitive markets for essential goods and services in underserved areas can significantly reduce the cost of living and create opportunities for local businesses. This aligns with the dtic's broader efforts to foster geographically dispersed economic growth and reduce urban-rural disparities.

As economists frequently remind us, unchecked market power can lead to significant societal costs. As the esteemed economist Joseph Stiglitz noted, "*The invisible hand often seems invisible because it's not there.*" The Commission's work, by actively intervening to correct market failures and abuses, makes the invisible hand of the market visible and ensures it works for the benefit of all, not just a powerful few. Similarly, the challenges of dependency on mineral commodities and vulnerability to external shocks, which I have spoken about in international forums, necessitate strong domestic institutions that can foster economic resilience. The Commission's efforts to promote diversified industrial capabilities and ensure fair competition are paramount in mitigating these vulnerabilities, safeguarding our economy from capital flight, fiscal imbalances, and even recession.

The report also highlights key operational achievements. The diligent handling of cartel investigations, which often involve complex evidence gathering and intricate legal processes, directly impacts the cost of doing business and consumer prices. The success in uncovering and prosecuting such illicit agreements sends a clear signal that anti-competitive behaviour will not be tolerated. Similarly, the proactive engagement in market inquiries into critical sectors provides invaluable insights into market structures and identifies policy interventions necessary to unlock competition and drive inclusive growth. These operational successes are not mere statistics; they represent tangible improvements in market functioning and direct benefits for South African businesses and consumers.

While celebrating these achievements, it is also crucial, as Commissioner Tshepe will undoubtedly elaborate, to acknowledge areas where we must continue to refine our approach. The dynamic nature of markets, coupled with evolving global economic trends, demand continuous adaptation and innovation from the Commission. This includes enhancing our analytical capabilities, strengthening our capacity to address digital markets, and ensuring that our enforcement mechanisms remain agile and effective. The Commission's ability to self-reflect and identify areas for improvement, as reflected in this report, is a mark of its institutional maturity and its commitment to continuous excellence.

In closing, I extend my profound appreciation to Minister Parks Tau for his overarching guidance and support of the Commission’s work and my role in it. I extend my appreciation also to Commissioner Doris Tshepe, the Deputy Commissioners, the Executive Management, and indeed, every member of the Competition Commission. Your operational diligence, intellectual rigour, and tireless efforts in upholding the principles of fair competition are foundational to the dtic’s mandate. Your work is a critical cog in the machinery of economic transformation, ensuring that our collective vision for a prosperous, inclusive, and competitive South Africa becomes a lived reality for all our citizens.

Mr Zuko Godlimpi, MP
Deputy Minister of Trade, Industry and Competition

6. ACCOUNTING AUTHORITY'S FOREWORD

Doris Tshepe
Commissioner

The Commission presents this Annual Report to South Africans as an account of the progress we have made in the implementation of the Competition Act. This past year, we have focused on promoting fair and inclusive markets that enable all South Africans to participate meaningfully in the economy.

In 2024/25, we continued to tackle exclusionary practices that harm low-income consumers, small and black-owned businesses, and stifle innovation and growth. We made significant strides through enforcement, merger regulation, market inquiries and advocacy, leveraging all the tools available to us under the Competition Act to promote fair and inclusive markets.

In respect of our proactive work, we focused on the following priority sectors: food and agriculture, healthcare, energy, and digital markets.

In the food and agricultural sector, the Commission released the final report of the Fresh Produce Market Inquiry (the FPMI). The FPMI sought to enable fairer access to inputs, markets and financing for emerging farmers, thus empowering greater inclusion in the formal agricultural value chain. The proposed remedies and recommendations aim to enhance competition, foster inclusion, reduce barriers to entry and create a more inclusive and competitive fresh produce market. The recommendations encompass policy reforms, market restructuring and targeted support for small scale, emerging and historically disadvantaged farmers.

As part of monitoring the drivers of high and rising food inflation, the Commission published two Essential Food Price Monitoring (EFPM) Reports. The latest edition of the EFPM Report reflects the Commission's continued effort of tracking food prices throughout the value chains of sunflower oil, brown bread, eggs, canned pilchards, maize meal and individually quick frozen (IQF) chicken. These continuous essential food price monitoring efforts support transparency regarding the margins earned by producers and retailers of products. The Commission has observed that some of the prices of the food tracked started falling, although modestly. Nevertheless, monitoring remains necessary to ensure that as costs decline upstream, those are passed through quickly and proportionately to retailers and subsequently to consumers.

In the year under review, the Commission also conducted an impact study on four development funds created through conditions imposed in merger transactions in the agricultural sector. The study found that these development funds disbursed R1.3 billion to over 1000 beneficiaries. Support was given to over 300 SMEs and 200 young people. The study revealed that development funds are an effective tool to unlock supply constraints for farmers. They have a role to play in enabling access to markets, including access to agro processing and export markets and to key inputs and infrastructure.

The Commission continued its proactive enforcement drive in the healthcare sector. In this regard, the Commission referred a complaint of alleged excessive pricing by an international healthcare company, Celgene Corporation and its subsidiary Celgene Logistics S.a.r.l of a bone marrow cancer treatment drug, Revlimid, to the Tribunal for prosecution. Revlimid was the most recommended treatment for the condition and has been medically shown to extend the life of a patient by approximately 13 years. Denying patients access to this life-extending medicine by making it unaffordable has the result of shortening a patient's life expectancy.

The Commission has also initiated complaints of exclusionary practices in the provision of insulin cartridges and insulin pen devices used in the treatment of diabetes mellitus. The Commission also initiated complaints against some manufacturers and suppliers of radiology equipment.

In a continued effort to understand pricing and competitive dynamics in the healthcare sector, the Commission published a working paper on competitive landscape of biosimilars in South Africa. The paper highlighted that biosimilars play a pivotal role in shaping pharmaceutical firms' pricing strategies and enhancing patient affordability.

In litigation, the Constitutional Court affirmed that the Commission is empowered to investigate complaints under the Competition Act even in sectors regulated by other authorities, like NERSA. The Court dismissed Sasol's application for leave to appeal against the decision of the CAC which found that the Commission has the mandate to assess whether prices exceed competitive levels in regulated sectors. The dismissal by the Constitutional Court strengthens enforcement of the excessive pricing provisions under the Competition Act. These legal victories enhance our ability to protect industrial users from exploitative pricing, particularly where such practices threaten to undermine manufacturing and economic development.

In the energy sector, the Commission entered into a settlement agreement with Victron Energy B.V for allegedly engaging in the practice of minimum resale price maintenance in respect of Victron products including solar panels, solar charge regulators, batteries and battery monitors. The Tribunal confirmed the settlement agreement.

In digital markets, the Commission undertook significant follow-up work on the remedies and recommendations of the Online Intermediation Platforms Market Inquiry (OIPMI). During the 2024/25 financial year, the Commission held several stakeholder engagements and convened a national workshop to explore solutions for funding digital start-ups by SMEs and historically disadvantaged persons (HDPs), with a focus on pre-revenue support. The Commission also monitored and verified implementation of OIPMI remedies by platforms like Booking.com, which removed restrictive pricing clauses and launched support programmes for HDP-owned accommodation providers. In the food delivery and eCommerce sectors, benefits to SMEs and HDP-owned businesses have exceeded R40 million to date.

The Commission also published its provisional report in the Media and Digital Platform Market Inquiry and engaged with market participants and stakeholders on the provisional findings, remedies and recommendations contained in the provisional report.

We prosecuted several cartel cases, including the finalisation of settlements in the automotive components sector and the Mpact case, which dismantled a network of collusive arrangements in the packaging sector. These cases removed anti-competitive barriers that directly impact costs in key value chains such as food production.

Another highlight in our litigation was in the Steinhoff/PG Bison case, where the full bench of the High Court held, amongst other things, that a determination whether Steinhoff's inclusion in the referral and whether it controls PG Bison lies solely within the expertise of the Tribunal and must be adjudicated upon by the Tribunal. This judgment reaffirmed the principle that legal disputes based purely on competition law are exclusively within the jurisdiction of the Tribunal and CAC. This means that all reviews that are purely based on competition law issues, must be heard by the Tribunal or the CAC, not the High Court. The court also emphasised the importance of preventing respondents from pre-empting referrals at a preliminary stage through reviews. This decision will significantly enhance the speed of prosecution of competition law cases by removing unnecessary delays as a result of technical points raised by the respondents in the High Court.

In merger regulation, the Commission assessed a number of complex transactions. In the United Container Depot and Kings Rest merger, we recommended that the merger be prohibited due to its likely harm to competition in the logistics value chain, with implications for prices throughout the economy. After filing our recommendation with the Tribunal, the parties abandoned the transaction preserving competition in container storage markets. The Tribunal issued its order prohibiting the Vodacom/Maziv transaction, a pivotal case raising questions about dynamic competition in digital markets and access to high-speed internet.

Where appropriate, we imposed public interest conditions in merger approvals to safeguard jobs and promote participation by HDPs, workers and SMEs. These interventions saved 7,467 jobs and advanced HDP ownership and supplier development, supporting transformation and inclusive growth.

Our advocacy influence remained strong. We continued to shape economic policy debates and contributed to regulatory alignment across the state. Internationally, the Commission remained active in the African Competition Forum and supported the implementation of the AfCFTA Protocol on Competition Policy, which promises to deepen regional integration through harmonised competition rules.

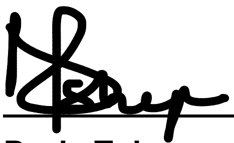
Internally and in order to ensure that market inquiries continued to unlock structural barriers to participation in key sectors, we established the Market Inquiry Division to provide support for the important work.

We also invested in digital resilience through the rollout of a new cybersecurity framework and the successful migration and backup of our data systems. Our focus on operational efficiency, case turnaround times, and resource accountability has yielded positive results culminating in our sixth consecutive clean audit.

This Annual Report also marks the final year of our 2020–2025 strategy cycle. As we reflect on our progress, we are mindful that South Africa continues to face significant economic challenges, with persistent unemployment, inequality, and low growth. The need for a competitive and inclusive economy is more urgent than ever.

We remain committed to using our tools to stimulate new entry, protect vulnerable consumers, and ensure that concentration and dominance do not stand in the way of opportunity and innovation. Our resolve to contribute to a growing, deconcentrated, and inclusive economy remains firm.

In conclusion, I extend my gratitude to the Minister of Trade, Industry and Competition, Mr Parks Tau, the Deputy Minister, the Ministry, and the Department of Trade Industry and Competition for their continued support. I also thank our stakeholders across government, labour, civil society, and business for their collaboration. Finally, I express my appreciation to the Deputy Commissioners, the Executive Committee, and the entire staff of the Commission for their determination and commitments to the work of the Commission.



Doris Tshepe
Accounting Authority
The Competition Commission of South Africa

7. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All information and amounts disclosed in the annual report is consistent with the annual financial statements audited by The Auditor General of South Africa.
The annual report is complete, accurate and is free from any omissions.
The annual report has been prepared in accordance with the guidelines on the annual report as issued by National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Standard of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board, and standards applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgments made in this information.

The Accounting Authority is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements.

In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully

Doris Tshepe
Accounting Authority
The Competition Commission of South Africa

8. STRATEGIC OVERVIEW

The Vision and Mission of the Commission are illustrated below:

8.1 Vision

A growing, deconcentrated, and inclusive economy

Our vision is for the realisation of a growing and inclusive economy. Our vision is more relevant in the current challenging environment with high food and energy inflation globally, slower economic growth and high unemployment. Strong competition law enforcement remains highly relevant in dealing with some of the issues resulting from the challenging environment and must also support the realisation of the reimagined industrial policy to drive growth, job creation and transformation of the South African economy. The Commission will continue to play its role to ensure that there is healthy competition between firms, new businesses can emerge, existing businesses can expand, concentration levels in markets are lowered and wherein all citizens are able to participate in the economy.

8.2 Mission

To promote a regeneration of the economy and maintain competition whilst advancing public interest objectives to enhance economic participation for all South Africans.

In a depressed economic environment, the Commission will support efforts by Government aimed at economic regeneration. The Commission will use its tools to ensure that viable, competitive businesses can remain in the market. The Commission will advance public interest objectives through its work, with a particular consideration for small and black-owned businesses. Our efforts will be aimed at fostering job-creation, industrialisation and export promotion whilst expanding the opportunities for small, medium and micro enterprises (SMMEs) and the participation of blacks, youth, and women in the economy.

8.3 Institutional value system abbreviated as COMPETE

The Commission's vision and strategic plan are supported by seven core values, namely Communication, Ownership, Making a Difference, Professionalism, Employee Welfare, Teamwork and Efficiency, abbreviated as COMPETE. These values are the core priority of the Commission's culture and figure below gives more detail for each core value.

C	Communication	The ability to effectively convey information and express thoughts and facts. Demonstrates effective use of listening skills and displays openness to other people's ideas and thoughts.
O	Ownership	The ability to commit self to task(s) at hand, accepts responsibility for own actions, decisions and demonstrates commitment to accomplish work in an ethical and cost-effective manner.
M	Making a Difference	The ability to consistently deliver required business results; sets and achieves realistic, yet aggressive goals; consistently complies with quality, service and productivity standards and meets deadlines; maintains focus on Commission's goals.
P	Professionalism	An ability to demonstrate good work ethic, respect, integrity, and empathy.
E	Employee Welfare	The ability for employees to achieve full potential whilst maintaining a healthy work-life balance.
T	Teamwork	The ability to work cooperatively and effectively with others to achieve common goals. Participates in building a group identity characterised by pride, trust, and commitment.
E	Efficiency	The ability to measure how well resources are utilised (i.e. means and manner) in pursuit of quality results.

Goal 1: Enforcing and regulating towards economic growth and enhanced economic participation.

- In this goal, the Commission effectively uses the instruments of merger regulation, market inquiries and enforcement, with considerations of addressing market concentration and public interest outcomes. The Commission also uses these tools to respond to firms in distress and markets which may be collapsing due to the economic impact of the Covid-19 pandemic.
- Further, the goal also applies to the investigation and prosecution of instances of abuse-of-dominance and restrictive conduct, and the unmasking and dismantling of cartels, with the creative use of remedies to promote market entry and participation.

Goal 2: Advocating for improved compliance and pro-competitive public policy outcomes.

- Under goal two, the Commission will promote compliance to the Competition Act through education and awareness initiatives with its key stakeholders: the public, big and small business, labour, government and consumers.
- Co-ordination with government and other regulators is crucial in promoting the development of pro-competitive public policy outcomes, particularly through the policy-making process.
- In this goal, the Commission also seeks to be a thought-leader on competition and economic issues, both domestically and internationally. This includes contributing to the national economic discourse and policymaking.

Goal 3: A People-Centric, High-Performance Organisation.

- Through this goal, the Commission successfully delivers on its objectives through a cohesive, well-structured organisation in which people, processes and systems perform optimally.
- The Commission provides Human Capital, Information Communication Technology, Facilities and Security solutions that enable the optimal performance of staff, supporting their well-being and performance through the "new normal" working conditions brought about by Covid-19.

8.5 Strategic Outcomes

In line with strategic outcome-oriented goals the Commission has developed a set of key outcomes which it seeks to realise. Outcomes in this context refers to the change (in status, behaviour, attitudes, commitment, or practices) that arises for the Commission's target stakeholders because of the achievement of its strategic goals. Outcomes for the 2020-2025 strategic period are captured in the table below.

Table 1: Commission Outcomes 2020-2025

Strategic Goals & Outcomes
1. Enforcing and regulating towards economic growth and enhanced economic participation i. Efficient and effective merger regulation and enforcement ii. Competitive, contestable, and deconcentrated markets iii. Improved public interest outcomes iv. Improved compliance and awareness v. Existing competitive small and large businesses remain in the market
2. Advocating for improved compliance and greater public policy outcomes i. Improved public interest outcomes ii. Improved compliance and awareness iii. Improved understanding of market dynamics in priority sectors

iv. Improved co-ordination on the application of economic policy and competition policy v. Increased importance of developmental perspectives in domestic and international competition law discourse
3. A people-centric, high-performance organisation i. Sound Corporate Governance ii. Secure, harmonious, and conducive working environment iii. Responsive corporate services systems to support workforce emerging out of Covid-19 iv. Highly motivated, engaged, and productive workforce.

9. LEGISLATIVE AND OTHER MANDATES

The Commission is a schedule 3A public entity in terms of the Public Finance Management Act, No 1 of 1999 (PFMA).

9.1 Constitutional Mandate

The Commission complies with the Constitution of the Republic of South Africa in the course of executing its mandate. Section 1(2) of the Competition Act provides that the Competition Act must be interpreted in a manner that is consistent with the Constitution. Furthermore, the Constitutional Court confirmed in the Mediclinic judgment that when interpreting any legislation, including the Competition Act, every court, tribunal or any forum must promote the spirit, purport and objectives of the Bill of Rights in line with section 39(2) of the Constitution.

9.2 Legislative Mandate

The Commission is one of three institutions established by the Competition Act alongside the Competition Tribunal (the Tribunal) and the Competition Appeal Court (CAC). The Commission is an investigative and prosecutorial authority, the Tribunal is an adjudicative authority, and the CAC is an appeal body over competition matters.

The Commission is empowered to investigate, control and evaluate restrictive business practices and abuse of dominant positions and mergers in order to achieve equity and efficiency in the South African economy. Its mandate is to promote and maintain competition in South Africa in order to:

- promote the efficiency, adaptability and development of the economy;
- provide consumers with competitive prices and product choices;
- promote employment and advance the social and economic welfare of South Africans;
- expand opportunities for South African participation in world markets, and recognise the role of foreign competition in the country;

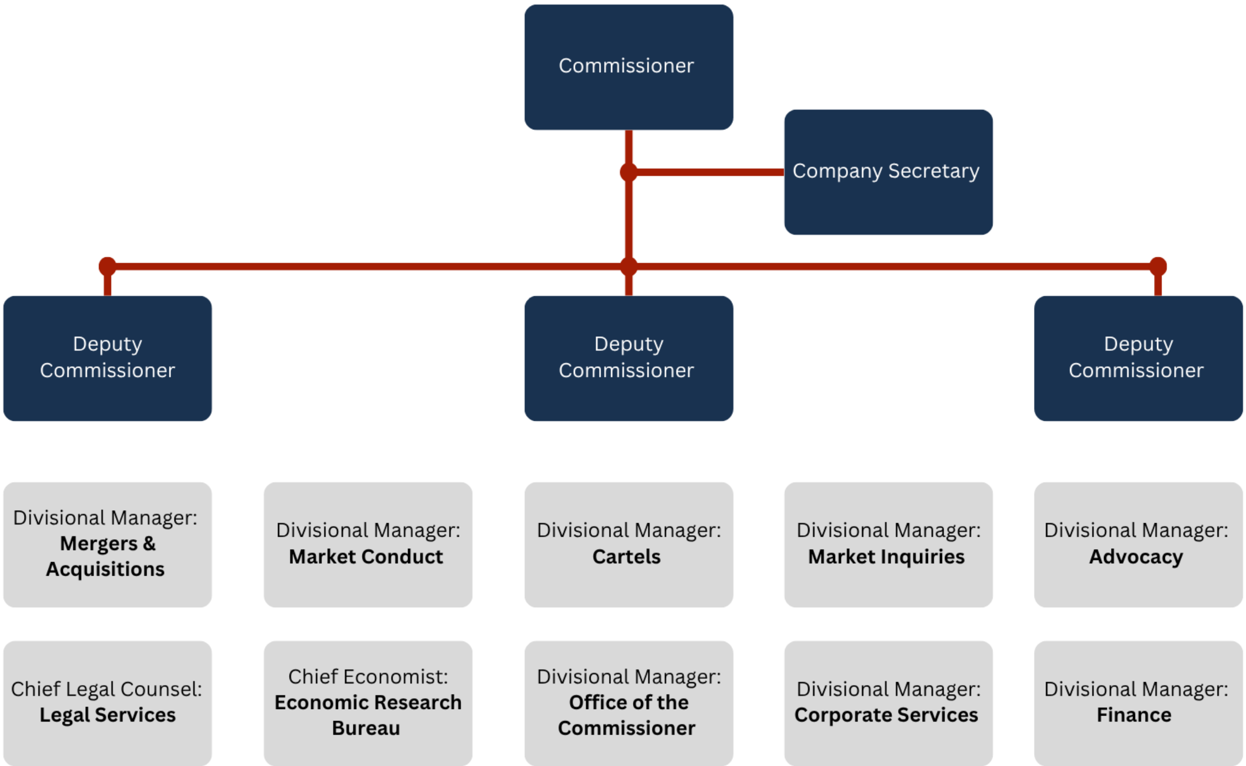
- ensure that small and medium-sized enterprises have an equal opportunity to participate in the economy; and
- promote a greater spread of ownership, specifically increasing the ownership stakes of historically disadvantaged persons.

Section 21(1) of the Competition Act provides more detail on the responsibilities and mandate of the Commission. The Commission's responsibility is, amongst others, to:

a) implement measures to increase market transparency;
b) implement measures to develop public awareness of the provisions of this Act;
c) investigate and evaluate alleged contraventions of Chapter 2;
d) grant or refuse applications for exemption in terms of Chapter 2;
e) authorise, with or without conditions, prohibit or refer mergers of which it receives notice in terms of Chapter 3;
f) negotiate and conclude consent orders in terms of section 63;
g) refer matters to the Tribunal, and appear before the Tribunal, as required by this Act;
gA) initiate and conduct market inquiries in terms of Chapter 4A;
gB) conduct impact studies in terms of section 21A;
gC) grant or refuse applications for leniency in terms of section 49E;
gD) develop a policy regarding the granting of leniency to any firm contemplated in section 50;
gE) issue guidelines in terms of section 79; and
gF) issue advisory opinions in terms of section 79A;
h) negotiate agreements with any regulatory authority to co-ordinate and harmonise the exercise of jurisdiction over competition matters within the relevant industry or sector, and to ensure the consistent application of the principles of this Act;
i) participate in the proceedings of any regulatory authority;
j) advise, and receive advice from any regulatory authority;
k) over time, review legislation and public regulations, and report to the Minister concerning any provision that permits uncompetitive behaviour; and
l) deal with any other matter referred to it by the Tribunal.

In addition, the Commission promotes voluntary compliance with the Competition Act by providing education and advice on the application of the Competition Act.

10. ORGANISATIONAL STRUCTURE



The Commission is led by the Commissioner who is the Accounting Authority, supported by three Deputy Commissioners appointed in terms of the Competition Act. The Commission has ten (10) divisions that support and drive the execution of the mandate of the Commission.

Part B

Performance Information

1. AUDITOR'S REPORT: PREDETERMINED OBJECTIVES

The AGSA currently performs the necessary audit procedures on the performance information to provide reasonable assurance on the accuracy thereof in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report.

Refer to the Auditors Report, published as Part F: Financial Information.

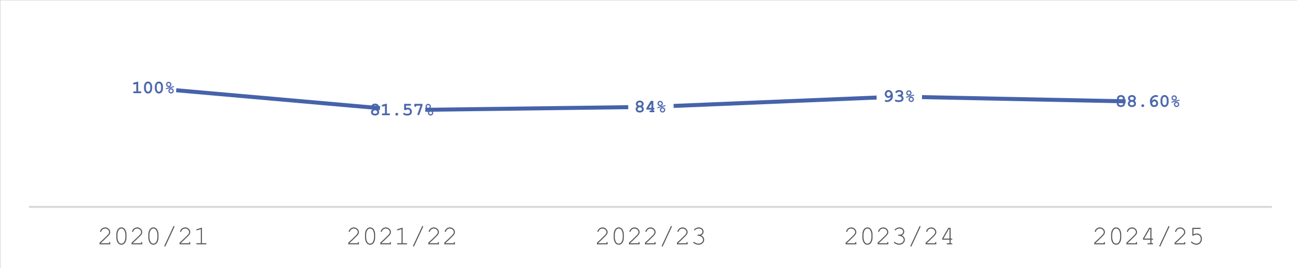
2. OVERVIEW OF PERFORMANCE

2.1 Service Delivery Environment

In the past financial year, the challenges of slow economic growth, high unemployment, high cost of living and continued high levels of concentration continued to inform the work and priorities of the Commission. Considering these challenges, the Commission's enforcement efforts focused on de-concentration, transformation, and economic growth, prioritising markets that affect low-income consumers.

The Commission achieved a performance level of 89% of its 44 applicable targets on the revised Annual Performance Plan (APP) for 2024/25. It achieved 33 (thirty-three), exceeded 6 (six) and did not achieve 5 (five) targets as illustrated below:

Over the full strategy cycle, the Commission consistently achieved more than 80% of its targets, as illustrated below.



2.2 Organisational Environment

The change in administration in the 2024/25 financial year required that the Commission re-align its priorities with those of the 7th Administration and the dtic. This resulted in changes to its 2024/25 APP.

The Commission has continued to improve efficiencies in various areas of its work including phasing the implementation of its recently approved organisational structure and better monitoring of efficiencies in a number of key spending areas to respond to the constrained fiscal environment. Recent court judgments have significantly affected its approach to merger control and cartel investigations, prompting adjustments to internal processes as cases grow more complex and resource-intensive.

The operating environment has also seen heightened risks in the area of cybersecurity. The Commission has responded by strengthening its Information and Communications Technology (ICT) environment.

(a) Improving efficiency by developing a responsive and effective organisational structure

During the 2020 – 2025 strategy cycle, the Commission revised its organisational structure to allow it to effectively implement the 2019 amendments to the Competition Act. The amendments expanded the Commission's powers and scope of work, especially in areas like Market Inquiries which are resource-intensive areas of work requiring extensive reviews of impediments to competition in entire markets and require the Commission to develop binding and evidence-based remedies to promote competition and lower barriers to entry in key markets. As a result, the Commission established a Market Inquiry Division modelled on global and domestic benchmarks, aiming to build the Commission's capacity within the medium-term.

(b) Assuring Security and Improving Business Processes and Systems

i. Enhancement of IT Security Capabilities

During the period under review, the Commission made substantial progress in strengthening its ICT environment with the approval of a new Cybersecurity Framework that will lay a robust foundation for future security initiatives. At the same time, the Commission has also reviewed ICT policies to incorporate best practices and be more responsive to the needs of the organisation. The Commission has also improved its threat detection and mitigation capabilities through upgrades to security and access control systems.

ii. Successful Implementation of Cybersecurity Initiatives

The Commission addressed behavioural cybersecurity concerns through projects such as awareness campaigns and targeted promotions to boost risk awareness. It invested in secure data storage by completing data migration, and ensuring information is handled safely and efficiently. Real-time monitoring and incident reporting were maintained for a quick response to threats.

iii. Reinforced Data Protection and Business Continuity

During this period, a significant achievement was the complete backup of all Commission data to a secure remote location. This measure enhanced data protection protocols and strengthened business continuity, thereby increasing the Commission's resilience to potential disruptions. Collectively, these efforts underscore the Commission’s ongoing commitment to ICT security and operational effectiveness.

2.3 Key Policy Developments and Legislative Changes

During the reporting period, there were no significant changes in the policy and legislative environment of the Commission.

2.4 Celebrating 25 Years of Competition Regulation in South Africa: Executive Insights and Reflections

In September 2024, the Commission celebrated 25 years of competition regulation. To mark this occasion, the Commission launched the Executive Insights Series on its YouTube channel. This series presents insightful video interviews with executives who discuss their experiences, share perspectives, and examine the impact of the Commission’s efforts to foster fair competition. To the left is a QR code linking to bite-sized highlights that cover key topics.

2.5 Progress Towards Achievement of Institutional Impacts and Outcomes

The 2024/25 financial year marks the last financial year of the 2020-2025 strategic cycle. In the 2020-25 strategy, the Commission identified 12 strategic outcomes to achieve its vision, mission, and values. These are:

1. Efficient and effective merger regulation and enforcement
2. Competitive, contestable and deconcentrated markets
3. Improved public interest outcomes
4. Improved compliance & awareness
5. Existing competitive small and large businesses remain in the market
6. Improved understanding of market dynamics in priority sectors
7. Improved co-ordination on the application of economic policy and competition policy
8. Increased importance of developmental perspectives in domestic and international competition law discourse
9. Sound corporate governance
10. Secure, harmonious, and conducive working environment
11. Highly motivated, engaged, and productive workforce
12. Responsive corporate services systems to support employees.

As the strategy cycle concludes, it is appropriate to reflect on the outcomes the Commission's initiatives. These initiatives have influenced the competitive landscape and contributed to South Africa's role within the global competition community. These reflections are recorded in the Commission's core programmatic areas below.

2.5.1 Major developments in cartel enforcement

Cartel conduct remains a focal point for the Commission. Developments in cartel enforcement required internal reflection on litigation strategy and case selection. The Commission has invested in positioning the institution for the successful prosecution of cartel conduct by identifying digital tools to aid detection and investigation, improving case selection, and prioritising training on litigation strategy, including seeking advice from international experts.

The Commission has been litigating cases in which it sought to prosecute firms for the collusive activities of their holding companies, subsidiaries and/or sister companies. This type of prosecution has been opposed by the firms concerned. A highlight in this regard is the successful litigation in the Steinhoff/PG Bison case wherein the High Court reaffirmed that firms may be held accountable for cartel conduct of their subsidiaries. This strengthens the Commission's ability to prosecute complex cartel structures, including cases involving multinational enterprises.

2.5.2 Developments in Jurisprudence

Mediclinic case (2021)

The 2021 Mediclinic judgment by the Constitutional Court (ConCourt) was one of the seminal judgments in the past five years. In affirming the Tribunal's decision to prohibit Mediclinic Southern Africa (Pty) Ltd (Mediclinic's) proposed merger with Matlosana Medical Health Services due to concerns about reduced competition and increased healthcare costs, the ConCourt confirmed two important principles. Firstly, the ConCourt stated that appellate intervention in factual findings is warranted only in instances of clear misdirection, and concluded that the Competition Appeal Court (CAC) had overstepped its authority by substituting its assessment for that of the Tribunal. Secondly, the ConCourt emphasises that competition law must be interpreted through a constitutional lens in alignment with the Bill of Rights, particularly the right to healthcare.

2.5.3 Addressing Excessive Pricing and Exclusionary Conduct in the Healthcare Sector

The Commission sustained its focus on the exploitative and exclusionary impact that patent evergreening has on the affordability of pharmaceutical drugs. Patent evergreening raises prices to the state and to ordinary South Africans. It also limits potential competition from generic manufacturers, which could drive prices down significantly. In the 2024/25 financial year, the Commission concluded its investigation against Johnson & Johnson for excessive pricing and exclusionary conduct in relation to Bedaquiline (trading as Sirturo®), a drug used to treat tuberculosis, a disease afflicting millions of South Africans. Pursuant to the Commission's investigation. Johnson & Johnson agreed not to enforce its patent for Sirturo®, thus opening the market to the entry of generic manufacturers. Importantly, the commitment relates not only to South Africa but also to 133 other low- and middle-income countries, expanding the benefit to millions of patients across the global south. Closer to home, the agreement has also resulted in significant savings to the fiscus, with Johnson & Johnson agreeing to reduce the Bedaquiline price it charges the state by approximately 40%. This case builds on the Commission's previous work on excessive pricing and exclusionary conduct in relation to cancer and HIV/Aids drugs.

2.5.4 Commission Actions in the Energy Sector

The Commission referred two complaints against Sasol for the excessive pricing of piped gas to the Competition Tribunal (Tribunal). The Commission found that Sasol Gas extracted markups of up to 72% on piped gas in certain instances, and that the practice endured for decades. Piped gas is an essential input for many industrial users, raising a concern about the potentially chilling effect of these pricing practices on manufacturing activity. The Commission also intensified its focus on the competition dynamics in new or green energy markets, having conducted studies on the uptake of solar photovoltaic energy by industrial and domestic users, as well as conducting research on barriers to entry and transformation in renewable energy generation markets. These research projects form an important basis for the Commission to advocate for effective competition in new markets that are pivotal to the sustainable growth of the South African economy.

2.5.5 Market Inquiries

Since the introduction of the 2019 amendments, the Commission has completed two market inquiries with groundbreaking remedial actions and recommendations. The first is the Online Intermediation Platforms Market Inquiry (OIPMI) which evaluated competitive dynamics in digital markets. Through this market inquiry, the Commission lowered barriers that discourage the effective participation of smaller businesses in eCommerce (marketplace sellers), travel and tourism (accommodation providers), food delivery (restaurants and food delivery platforms) and online classifieds (car dealerships and estate agents). The implementation of the remedial actions proposed by the OIPMI is ongoing and is expected to result in savings of ZAR1.16 billion to businesses in South Africa. These savings largely merger from the removal of parity clauses, remedies that deal with self-preferencing, various HDP programmes, discounts and promotions offered to smaller businesses and Ad Credits.

The second is the Fresh Producer Market Inquiry (FPMI) which focused on structural features and practices within the fresh produce market. In this regard, the FPMI focused on five fruit and six vegetables that are essential to every household in South Africa. The FPMI found that there are exceptionally high concentration levels among market agents and that essential fresh produce such as potatoes, onions and tomatoes are largely supplied by only four market agents. The FPMI identified a set of 31 practical remedial actions and recommendations intended to promote competition, lower barriers to entry, and to create a more inclusive and competitive fresh produce market. The measures include recommendations for policy reform, market restructuring, and targeted support for small-scale, emerging and historically disadvantaged farmers.

The Commission also initiated the Media and Digital Platforms Market Inquiry (MDPMI). This market inquiry was initiated to examine the distribution of media content on search and social media, artificial intelligence, chatbots and assisted search, as well as advertising technology markets that connect advertisers and news publishers' websites. A provisional report has been released by the Commission with preliminary findings, remedial actions and recommendations CC_MDPMI-Provisional-Report_Findings-Recomendations-1.pdf.

2.5.1 Impact of our advocacy work

The Commission employs various advocacy tools to encourage compliance with the Competition Act. These tools include surveys, workshops, training, policy responses, education and awareness initiatives, outreach initiatives and impact studies. Over the past five years, the Commission advocacy efforts have covered several critical sectors, including public procurement, agriculture, financial services, construction, pharmaceuticals, the automotive aftermarket, school uniform procurement, energy, and digital markets.

Training, Awareness and Outreach Initiatives

Notable achievements in the area of competition advocacy in the last 5 years include expanding training programs on pro-competitive procurement in the public sector, promoting competition and inclusion in supplier panels of banks and insurers, and concluding settlements in the pharmaceuticals and construction sectors. The Commission has also produced various Educational Pamphlets, Guidelines and Practice Notes aimed at raising awareness and promoting compliance with the Competition Act. Such publications include the Competition Act Guide for SMEs and Consumers; the Guidelines on School Uniform Procurement; the Automotive Aftermarket Guidelines for various stakeholders in the sector; Pro-competitive Rules and Regulations in Residential Estates; Practice Note on Supplier Panels of Banks and Insurers; Joint Competition Law Guide by the Competition Commission and the South African Bureau of Standards; the Buyer Power Guidelines for Dominant Players and SMEs and an educational video on the Competition Act for persons with hearing and visual disabilities.

Advocacy Initiatives aimed at SMEs, Women and Youth Entrepreneurs

The Commission has also undertaken numerous studies to understand the competitive dynamics in various sectors. Some notable studies include impact studies on agriculture development funds, barriers facing women entrepreneurs; the entrepreneurial landscape for persons with disabilities in South Africa and competition dynamics in the female personal care products market.

The Commission has also expanded its outreach to focus on initiatives aimed at advocating youth entrepreneurship and SME participation in the economy. Initiatives including the Youth in Business Exhibition as well as participation in the Green Youth Indaba and Township Economies Conference and Expo sought to understand the barriers facing young entrepreneurs and SMEs.

Collaborative Relationships

Over the past five years, the Commission has strengthened its relationships with various regulators . The Commission has concluded Memorandums of Understanding with key stakeholders including –

the Auditor General of South Africa; the B-BBEE Commission; the Council for Medical Schemes; the Information Regulator of South Africa; the Independent Communications Authority of South Africa; the National Energy Regulator of South Africa and the Financial Sector Conduct Authority amongst others.

Policy and Legislation Reviews

The Commission regularly reviews and provides comments to various legislations and public regulations with the aim of ensuring that legislations and regulations are aligned with competition principles. Some notable contributions include comments to the Draft National Policy on Data and Cloud, the Draft General Policy on the Allocation of Commercial Fishing Rights - 2021/2022; Draft Policy for the Transfer of Commercial Fishing Rights – 2021; Draft FSCA Strategy for Supporting Financial Sector Transformation; Policy On High Demand Spectrum And Policy Direction On The Licensing Of A Wireless Open Access Network; the Draft Electricity Regulation Amendment Bill of 2022 as well as the Draft Electricity Pricing Policy; Integrated Renewable Energy and Resource Efficiency Regulations and the Gas Master Plan amongst others.

2.5.2 Position of the Commission in the international environment

The Commission has continued to strengthen its position within the global competition landscape. The Commission's engagement in leading international and regional forums—most notably the African Competition Forum (ACF), BRICS competition authorities, bilateral partnerships, and the International Competition Network (ICN)—has been pivotal in advancing both African interests and global competition policy.

The ACF has served as the main platform for the Commission to champion a harmonised and developmental competition agenda across Africa. As a founding member of the ACF Steering Committee, the Commission has driven substantive initiatives, such as research collaborations on barriers to entry in pharmaceuticals and market developments in digital platforms. Further, its leadership was underscored when the Commission's Deputy Commissioner chaired the African Continental Free Trade Area (AfCFTA) Committee on Competition Policy, positioning South Africa at the forefront of continental competition policy implementation. Through these efforts, the Commission has been central to shaping the adoption and implementation of the AfCFTA Protocol on Competition Policy.

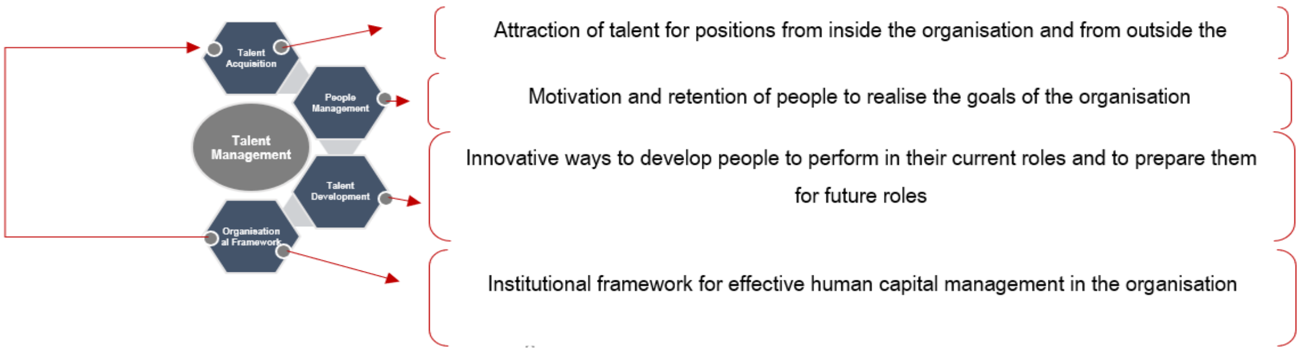
Within BRICS, the Commission has maintained a robust presence, actively contributing to the BRICS Competition Authorities Working Group and participating in joint research on issues relevant to emerging economies.

The Commission has prioritised building and deepening bilateral relationships with counterpart authorities worldwide. These collaborations have facilitated joint research and capacity-building initiatives on topics such as merger control, pharmaceuticals, and digital markets. Memorandums of Understanding (MoUs) have formalised many of these relationships, paving the way for knowledge exchange and coordinated enforcement actions.

Through sustained participation and leadership in the ACF, BRICS, bilateral cooperation, and the ICN, the South African Competition Commission has solidified its reputation as an innovative and proactive authority focused on developmental competition policy.

2.5.3 Talent Management Framework in the Strategy Cycle

Over the past five years, the Commission aimed to enhance its effectiveness by 2030 through a comprehensive Talent Management Framework that focused on attracting, developing, and retaining skilled employees. The framework was curated to establish clear institutional building blocks, develop a competency framework, provide career paths, define succession management approaches, improve overall talent management practices and address employee engagement.



Significant Achievements during the Strategic Cycle:

Over the past five years the talent management framework has achieved several key milestones:

1. **Enhanced Digital Presence**: The institution implemented an integrated Human Resources system, introducing a learning management system for the first time. These modern platforms have significantly improved functionality and navigation, thereby enhancing the overall employee experience through automation and streamlined HR services.

2. **Talent Acquisition**: The framework introduced new methods to attract and develop talent, including a clear competency framework identifying development areas and supporting skills consistency. This has enabled a career pathing roadmap for the next five years. Our expanded talent pool has made hiring for critical vacancies more competitive, resulting in 25% of external

hires from reputable institutions. These improvements position the Competition Commission as an employer of choice.

3. **Talent Development:** Investment in talent development has contributed to investigative and case work outputs, as well as collaboration across divisions. The organisation's bursary programmes, conference support, specialised workshops, internal capacity building, and expert training have resulted in a variety of qualifications, mainly in legal and regulatory fields. Many professionals hold LLB degrees, LLMs, and PhDs, providing analytical, legislative, and academic expertise relevant to interpreting and enforcing competition laws. The impact of the Human Capital Development strategy on internal recruitment is notable, with more than 50% of hires in this period arising from internal promotions. This outcome indicates ongoing investment in continuous learning at the Competition Commission. Additionally, peer-to-peer learning through cross-departmental collaboration has supported a cohesive approach to professional development.

4. **Youth Empowerment and Expansion of the Talent Pool:** The continuous enhancement of the graduate program has established it as a flagship initiative for developing competition practitioners who contribute significantly to regulatory and enforcement functions. During the previous strategic cycle, the Commission hosted, for the first time, 50 undergraduate students for an intensive three-day bootcamp designed to create a level playing field in preparation for intake interviews. These participants represented a wide range of backgrounds, a result of deliberate outreach to tertiary institutions across the country, including those in marginalized areas typically overlooked during talent acquisition efforts. Recognising this diversity, the Commission structured a comprehensive bootcamp to equip participants with essential skills extending beyond immediate employment at the Commission. The inaugural Graduate Bootcamp led to the successful onboarding of 17 graduates, and within less than two years, 7 of these individuals have been permanently absorbed into the institution.

2.5.4 Performance against outcomes over the last five years

The following table presents a summary of the Commission's performance against its strategic outcomes over the past five years, providing a clear overview of goals, outputs, and annual progress.

Table 2: Performance against outcomes over the last five years

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
STRATEGIC GOAL 1: ENFORCING AND REGULATING TOWARDS ECONOMIC GROWTH AND ENHANCED ECONOMIC PARTICIPATION												
Efficient and effective merger regulation and enforcement	Mergers and Acquisitions decisions	Average turnaround time for Phase 1 merger investigations	≤ 20 days	14 days	≤ 20 days	12 days	≤ 20 days	16 days	≤ 20 days	17 days	≤ 20 days	17 days
		Average turnaround time for Phase 2 merger investigations	≤ 45 days	35 days	≤ 45 days	41 days	≤ 45 days	41 days	≤ 45 days	40 days	≤ 45 days	37 days

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		Average turnaround time for Phase 3 intermediate and small merger investigations.	≤ 60 days	51 days	≤ 60 days	56 days	≤ 60 days	58 days	≤ 60 days	57 days	≤ 60 days	55 days
		Average turnaround time for 90% of Phase 3 large merger investigations.	≤ 120 days	76 days	≤ 120 days	90 days	≤ 120 days	90 days	≤ 120 days	137 days	≤ 120 days	93 days

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		% of imposed merger remedies and conditions monitored.	N/A	N/A	N/A	N/A	100%	100%	100%	100%	100%	100%
		No. of compliance monitoring reports on competition and public interest conditions imposed by the Commission.	4	4	4	4	No target set	No target set	Target not set	Target not set	No target set	No target set
		% cases in which ESOP or BEE Deals are	N/A	N/A	N/A	N/A	5%	28%	N/A	N/A	No target set	No target set

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		implemented to remedy merger-specific public interest concerns.										
	Covid-19 investigations	No. of Covid-19 investigations completed within 12 months.	N/A	N/A	N/A	N/A	100%	74%	100%	91%	1500	1764
		% of Covid-19 cases won at the Tribunal and the courts.	N/A	N/A	N/A	N/A	≥90%	100%	90%	100%	90%	100%
		% of Covid-19 cases won at the	N/A	N/A	N/A	N/A	≥90%	N/A	90%	N/A	90%	N/A

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		the courts.										
		Average turnaround time for referral of Covid-19 matters to the Tribunal, after Commission decision.	No target set	No target set	No target set	No target set	No target set	No target set	N/A	N/A	10 days	3 days
		Number of abuse of dominance and restrictive cases initiated related to Covid-19	No target set	No target set	No target set	No target set	No target set	No target set	10	0	No target set	No target set

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		% of Covid-19 exemptions applications completed within 3 months.	No target set	No target set	No target set	No target set	100%	N/A	100%	N/A	100%	N/A
		Assessment of impact of stimulus measures on markets.	No target set	No target set	No target set	No target set	No target set	No target set	No target set	No target set	1	1
		No of Report on Food Prices.	No target set	No target set	No target set	No target set	No target set	No target set	2	2	4	4
		Monitoring of anti-competitive	No target set	No target set	No target set	No target set	No target set	No target set	No target set	No target set	100%	100%

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		conduct in Government procurement.										
		No. of Covid-19 Education & Awareness initiatives	No target set	No target set	No target set	No target set	No target set	No target set	No target set	No target set	2	3
Competitive, contestable, and deconcentrated markets +	Investigation of Abuse of dominance and restrictive practices	No. of abuse of dominance and restrictive vertical cases initiated in prioritized sectors and/or in line	3	7	5	12	5	17	5	3	5	36

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Improved public interest outcomes		with amendments of the Competition Act.										
		% of Energy Sector related investigations completed within 6 months.	No target set	No target set	100%	N/A	No target set	No target set	No target set	No target set	No target set	No target set
		% of Energy Sector related exemptions completed within 6 months.	No target set	No target set	100%	N/A	No target set	No target set	No target set	No target set	No target set	No target set
		% of market conduct investigations	≥70%	93%	96.44%	96.44%	≥75%	97.4%	≥75%	98%	≥60%	94%

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		completed within 18 months.										
	Exemption application decisions	% of exemption applications completed within 12 months.	100%	50%	100%	N/A	100%	N/A	≥100%	75%	≥75%	100%
		% of block exemption applications completed within 30 days.	100%	100%	No target set	No target set	No target set	No target set	No target set	No target set	No target set	No target set
	Market Inquiries	No. of market inquiries initiated.	1	1	2	2	2	2	1	1	1	1
		No. of market inquiries completed.	1	1	1	1	1	0	0	N/A	1	1

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
	Advocacy work of the implementation on market inquiries recommendations	No. of monitoring reports on the outcomes of the implementation of Market Inquiry Recommendations.	2	2	2	2	No target set	No target set	No target set	No target set	4	4
	Cartel investigations	No. of cartel investigations completed including high impact cartel investigations.	22	62	16	28	10	28	10	35	5	28
	Cartel prosecutions	% of cartel cases won at the Tribunal.	≥80%	100%	≥80%	91.8%	≥75%	100%	≥75%	100%	≥75%	86%

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		% of cartel cases won at the courts.	≥80%	0%	≥80%	0%	≥75%	0%	≥75%	40%	≥75%	86%
	Prosecution of Abuse of dominance and restrictive practices	% of market conduct cases won at the Tribunal in relation to abuse of dominance, restrictive practices and exemption litigation.	≥75%	100%	≥75%	100%	≥70%	100%	≥70%	100%	≥70%	100%

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		% of market conduct cases won at the courts in relation to abuse of dominance, restrictive practices and exemption litigation.	≥75%	N/A	≥75%	100%	≥70%	N/A	≥70%	N/A	≥70%	100%
	Merger litigation	% of merger decisions upheld by Tribunal.	≥80%	100%	≥80%	100%	≥75%	100%	≥75%	100%	≥75%	100%

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		% of merger decisions upheld by courts.	≥80%	0%	≥80%	N/A	≥75%	100%	≥75%	100%	≥75%	100%
	Interlocutory litigation.	% of interlocutory decisions upheld by the Tribunal.	≥70%	100%	≥65%	100%	≥60%	100%	Target not set	Target not set	Target not set	Target not set
		% of interlocutory decisions upheld by the courts.	≥70%	100%	≥65%	50%	≥60%	50%	Target not set	Target not set	No target set	No target set
STRATEGIC GOAL 2: ADVOCATING FOR IMPROVED COMPLIANCE AND PRO-COMPETITIVE PUBLIC POLICY OUTCOMES												
Improved compliance and awareness	Domestic outreach initiatives	No. of education, training and outreach initiatives conducted on amendments.	No target set	No target set	No target set	No target set	No target set	No target set	2	8	2	3

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		No. of outreach, awareness, public education and training initiatives conducted to improve compliance with the Competition Act, the quality and quantity of complains and initiations of the Commission.	16	28	14	19	8	13	No target set	No target set	No target set	No target set
		Number of awareness publications on the Competition Act.							6	7	4	4

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
	External Guidelines on the application of the Act	No. of Guidelines on the application of the Competition Act to create greater certainty on the enforcement of the Act.	2	2	3	4	2	2	2	2	2	2
	Advisory Opinions	% of advisory opinions issued within 60 days.	≥90%	100%	≥90%	N/A	≥90%	N/A	90%	N/A	90%	N/A
	Industry Scoping Studies	No. of industry scoping studies conducted in prioritized sectors.	No target set	No target set	2	2	1	1	1	1	0	N/A

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		No. of market studies conducted in prioritised sectors to identify competition issues.	2	2					No target set	No target set	No target set	No target set
	Impact assessments on Commission decisions or competition policy	No. of impact assessment studies to improve decision making.	1	1	1	1	1	1	1	1	1	1

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
	Enforcement research on priority industrial sectors and support infrastructure.	No. of research reports on enforcement in priority areas for initiation of complaints.	2	2	2	2	No target set	No target set	No target set	No target set	No target set	No target set
	Advocacy in priority sectors	No. of advocacy cases completed in priority sectors and prioritising reduced cost of living and promotion of participation of SMEs and firms owned by HDPs.	4	5	4	4	4	4	2	3	4	4

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		No. of advocacy studies evaluating the Commission's interventions in priority sectors.	2	2	2	2	No target set	No target set	No target set	No target set	No target set	No target set
Improved co-ordination on the application of economic policy and competition policy	Strategic Partnerships with relevant stakeholders	No. of workshops or seminars on competition, trade, industrial policy and/or regulatory matters hosted.	No target set.	No target set.	No target set	No target set	2	3	2	4	4	4
		No. of strategic activities undertaken in collaboration with	No target set.	No target set	No target set	No target set	No target set	No target set	No target set	No target set	0	N/A

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		universities.										
		No. of initiatives to promote entry & participation of HDPs.	4	4	2	2	2	2	No target set	No target set	No target set	No target set
		No. of international conferences and forums hosted	1	1	N/A	N/A	1	1	1	1	No target set	No target set
	Policy Responses	No. of submissions or responses to policy or regulation.	4	6	4	6	4	5	4	4	4	11

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
	Partnerships with government, labour, business and sector regulators regarding the objectives of the Competition Act.	No. of reports on collaboration projects with stakeholders including regulators on objectives of the Competition Act.	2	2	2	2	No target set	No target set	No target set	No target set	No target set	No target set
	Research & Thought Leadership	No. of research and thought leadership insights published.	4	8	4	4	4	5	4	7	2	3

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		Essential Food Price Monitoring Report.	2	2	2	2	2	2	2	2	4	4
Increased importance of developmental perspectives in domestic and international competition law discourse	Strengthened strategic bilateral and multilateral relations focused on influencing with a developmental perspective.	No. of research projects and/ or publications undertaken with African, BRICS and international partners.	No target set	No target set	No target set	No target set	8	15	8	13	0	N/A
		No. of projects/contributions focused on influencing international competition regulation.	6	6	No target set	No target set	No target set	No target set	No target set	No target set	No target set	No target set

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		No. of projects/contributions on regional cooperation, bilateral and multilateral relations management focused on influencing with a developmental perspective.	N/A	N/A	4	4	No target set	No target set	No target set	No target set	No target set	No target set
	Collaboration with Regional	No. of collaborative research on cross-country	1	1	4	4	No target set	No target set	No target set	No target set	No target set	No target set

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
	& International partners	competition issues.										
STRATEGIC GOAL 3: A PEOPLE-CENTRIC AND HIGH-PERFORMANCE ORGANIZATION												
Sound Corporate Governance	Audit Outcome	Audit Opinion.	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	Clean Audit	1	Clean Audit	Clean Audit
Secure, harmonious, and conducive working environment	Organizational Structure Review	Review of Organizational Structure.	No target set	No target set	No target set	No target set	No target set	No target set	Report on organizational structure	Final Report	No target set	No target set
	Conducive	Relocate staff to appropriate office	No target set	No target set	No target set	No target set	Report on	0	Report on complete	Report	0	N/A

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
	Facilities & Efficient Security	space.					completed implementation		d implementation			
		Implementation of Phase 1 and initiation of phase 2 of integrated business system.	No target set	No target set	No target set	No target set	Report on implementation	0	Report on completed implementation	0	No target set	No target set
		% implementation of the OHS compliance plan.	No target set	No target set	No target set	No target set	No target set	No target set	No target set	No target set	100%	100%

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		No of quarterly reports on implementation of the OHS compliance plan.	4	4	4	4	4	4	4	4	No target set	No target set
Highly motivated, engaged, and productive workforce.	Talent management	% of HR spend in learning and development.	1%	1.03%	1%	1%	1%	2.16%	1%	1,05	0,5%	1%
		% retention rate of staff complement.	≥90%	98.7%	≥90%	98%	≥90%	98.48%	≥90%	99%	≥90%	98.5%
		% of staff reached through training academy initiatives.	≥65%	74%	≥65%	70%	≥65%	68.6%	≥60%	≥60%	≥50%	61%

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Business Process Improvement	Review and redesign of business processes to improve efficiency and organisational agility.	No. of reviews of complaints, exemptions, market inquiries, merger process and rules made under the Competition Act.	2	2	2	2	No target set	No target set	No target set	No target set	No target set	No target set
		Review the CC Forms for complaints/ merger filing.	No target set	No target set	No target set	No target set	2	2	No target set	No target set	No target set	No target set
	Coordinated initiatives	Established initiative/workshop /	No target set	No target set	No target set	No target set	1	1	No target set	No target set	No target set	No target set

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
		seminar/online platform on transversal programmes, learning and development and employee wellness.										
	Development of an integrated Management Information System (MIS) to ERP	Progress report on the development of the Management Information System (MIS) integrated to ERP	Progress Report on the development of the MIS integrated to Enterprise Resource	Development of the MIS integration to ERP not finalised	No target set	No target set	No target set	No target set	No target set	No target set	No target set	No target set

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
			Planning (ERP) and an Approved Concept Note on Digitalisation at the Commission.									
Sound financial controls and management	Payment of supplier invoices report	% of suppliers paid within 30 days.	N/A	N/A	100%	77.68%	80%	82.19%	No target set	No target set	No target set	No target set
		% of suppliers paid within 20 days.	100%	76.09%	Target was set at 30 days	Target was set at 30 days	Target was set at 30 days	Target was set at 30 days	N/A	N/A	N/A	N/A

Outcome	Outputs	Performance Indicator	Annual Target vs Annual Achievement									
			2024/25		2023/24		2022/23		2021/22		2020/21	
			Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement	Target	Achievement
Effective collaboration with other state entities	Efficient Human Resources and Finance Systems.	% Progress on the implementation of the HR and Finance systems.	Completed HR and Finance Systems.	Completed HR and Finance Systems.			No target set	No target set	No target set	No target set	No target set	No target set
	Partnerships with other Regulators and state entities	Report on collaboration with MOU partners, Gov and Sector Regulators.	2	2			2	1	No target set	No target set	No target set	No target set

3. INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

This section provides an overview of the Commission's overall performance against the targets and the outputs set out in the 2024/25 Revised Annual Performance Plan (APP). The revised APP had forty-six (46) performance targets linked to twelve (12) strategic outcomes. The achievement of performance targets is a positive contribution to the identified strategic outcomes in the 2020-2025 Strategic Plan (SP).

The Commission has four main functions underpinning its mandate, namely the regulation of mergers and acquisitions, enforcement, market inquiries and advocacy. The regulation of mergers and acquisitions entails the assessment of corporate consolidations, to determine their likely impact on competition and the public interest. The Commission's enforcement function can be defined as the investigation of vertical restrictive practices, horizontal restrictive practices – including cartels – and the investigation of abuse of dominance by firms.

A market inquiry refers to a formal inquiry in respect of the general state of competition, the levels of concentration in and structure of a market for particular goods or services, without necessarily referring to the conduct or activities of any particular named firm. Finally, Advocacy refers to the Commission's authority to promote voluntary compliance with the Competition Act.

For successful implementation of the 2020-2025 SP and related APP, the Commission had structured its work into three strategic goals which are mainly aligned to its core mandate as captured in the Competition Act.

Performance is therefore reported in line with the following three strategic goals:

STRATEGIC GOAL 1: ENFORCING AND REGULATING TOWARDS ECONOMIC GROWTH AND ENHANCED ECONOMIC PARTICIPATION

STRATEGIC GOAL 2: ADVOCATING FOR IMPROVED COMPLIANCE AND PRO-COMPETITIVE PUBLIC POLICY OUTCOMES

STRATEGIC GOAL 3: A PEOPLE-CENTRIC AND HIGH-PERFORMANCE ORGANISATION

The divisions responsible for executing the Commission's work during the reporting period included:

1. Mergers and Acquisitions Division (M&A): analyses and evaluates applications for corporate consolidations.
2. Market Conduct Division (MCD): investigates abuse of dominance, vertical restrictive practices and assesses exemption applications.

3. Market Inquiries Division (MID): is tasked with giving effect to the market inquiry provisions in the Competition Act. The division also manages the implementation of recommendations from completed market inquiries.
4. Cartels Division (CD): investigates and prosecutes cartel conduct.
5. Advocacy: conducts preliminary investigations of complaints received; provides policy responses to government and other regulators; and advocates for voluntary compliance with the Competition Act.
6. Legal Services Division (LSD): provides litigation services and legal expertise to the Commission and advisory opinions to the public.
7. Economic Research Bureau (ERB): provides economic expertise to the organisation and enhances the Commission's knowledge and understanding of market dynamics.
8. Corporate Services Division (CSD): provides corporate support services, including human resource management, registry, security and facilities management, as well as the management of Information Technology (IT).
9. Finance Division: responsible for finance management.
10. Office of the Commissioner (OTC) carries out the strategic planning, communication and corporate governance functions. The division is also responsible for managing the Commission's relations with international stakeholders.

3.1 STRATEGIC GOAL 1: ENFORCING AND REGULATING TOWARDS ECONOMIC GROWTH AND ENHANCED ECONOMIC PARTICIPATION

This strategic goal includes the regulation of mergers and acquisitions, enforcement and market inquiries main functions of the Commission. The divisions responsible for this strategic goal include: M&A, MCD, MID, CD, Advocacy and LSD provides litigation services and legal expertise to the Commission and advisory opinions to the public.

3.1.1 *Investigate, control, and evaluate restrictive business practices, abuse of dominant positions, and mergers*

This section sets out impactful cases and key judgments delivered during the 2024/25 financial year.

(a) Promoting Accountability for Collusive Conduct within Corporate Groups

On 13 November 2019, the Commission referred a complaint against PG Bison (Pty) Ltd (PG Bison), Sonae Novoboard (Pty) Ltd (Sonae) and Steinhoff International Holdings Ltd (Steinhoff) to the Tribunal for adjudication. The allegations against the respondents are that they entered into an agreement and/or engaged in a concerted practice to fix the price of wood-based panel products including particleboard and medium-density fibreboard. This conduct contravenes section 4(1)(b)(i) of the Competition Act.

On 9 June 2020, Steinhoff filed a review application with the High Court, asking for the complaint referral against it to be set aside on grounds that the Commission failed to initiate a complaint against it. After hearing the parties, the High Court dismissed the Commission's condonation application and proceeded to consider the matter on merits. The High Court granted the review without giving any substantive reasons and set aside the Commission's decision to refer the matter.

The Commission appealed the High Court judgment to the Supreme Court of Appeal (SCA) and the SCA referred the matter back to the High Court for the appeal to be heard by the full bench. The appeal was heard on 4 September 2024. The appeal of the full bench in the High Court granted the Commission's condonation and upheld the appeal. The full bench held that complaint initiations are against a prohibited practice and not against a firm. It also held that Steinhoff and PG Bison are a single economic entity in terms of competition law. The court further held that a determination whether Steinhoff's inclusion in the referral and whether it controls PG Bison lies solely within the expertise of the Tribunal and must be adjudicated upon by the Tribunal.

This judgment reaffirmed the principle that any legal disputes based purely on competition law are exclusively within the jurisdiction of the Tribunal and CAC. This means that all reviews that are purely based on competition law issues, must be heard by the Tribunal or the CAC, not the High Court. The court also emphasised the importance of preventing respondents from pre-empting referrals at a preliminary stage through reviews. This decision will significantly enhance the speed of prosecution of competition law cases by removing unnecessary delays as a result of technical points raised by the respondents in the High Court.

(b) The Commission vs Victron Energy B.V

On 26 July 2024 the Tribunal confirmed the settlement agreement entered into between the Commission and Victron Energy B.V. for Victron's alleged practice of minimum resale price maintenance (RPM) from March 2020 to at least the end of 2022 in contravention of section 5(2) of the Competition Act.

In terms of the settlement agreement Victron does not admit that it contravened the Competition Act and agrees to desist from engaging in RPM. Furthermore, Victron agreed to pay an administrative penalty of R14 232 581. To ensure compliance with the Competition Act, Victron also agreed to implement a competition law compliance program in respect of all its employees, management, directors and agents who participate in any commercial activities in South Africa.

(c) The Commission vs Vita Gas (Pty) Ltd

On 28 October 2022, the Commission filed a complaint against Vita Gas for allegedly abusing its dominant position in the LPG gas supply market from import terminals in the Western Cape. The complaint centered on Vita Gas entering into an exclusive agreement with Sunrise Energy (Pty) Ltd, the owner of the only LPG terminal facility in the Western Cape, which was claimed to be in violation of sections 8(1)(d)(i) and 8(1)(c) of the Competition Act.

The Commission's referral followed a complaint which was lodged by Sunrise against Vita Gas alleging that the LPG Handling and Throughput Agreement concluded between Vita Gas and Sunrise in 2018 (the Throughput Agreement) gave Vita Gas an exclusive right to the use all the capacity (five bullets amounting to 5 500 MT) to the exclusion of other competitors (import aggregators). The provisions of the Throughput Agreement created, enhances, and preserves Vita Gas's dominance in the market for the supply of LPG in the Western Cape and was likely to significantly foreclose its competitors (potential foreclosure) and to result in consumer harm.

On 19 June 2023, Vita Gas informed the Commission that it had terminated the Throughput Agreement concluded with Sunrise in respect of the LPG Terminal at Saldanha Bay. The Commission understood that the termination of the agreement occurred on 15 June 2023.
Following the closure of pleadings and the cancellation of the Throughput Agreement the Commission engaged in settlement discussions with Vita Gas in an attempt to resolve the complaint referral.

The settlement agreement contained terms which ensure that Vita Gas implements a competition law compliance programme to ensure that they do not engage in the conduct which was the subject of the Commission's complaint referral. Vita Gas has also committed, for a period of 5 (five) years from the date of the settlement agreement being confirmed that it will not enter into any long-term exclusive use agreements for the use of the LPG Terminal at Saldanha Bay. The Tribunal confirmed the settlement agreement on 24 July 2024.

The Commission is of the view that the commitment by Vita Gas not to enter into long-term exclusive agreements is an important commitment given the manner in which these long-term agreements feature as a component of this market. Furthermore, this commitment achieves the Commission's broader objectives of attempting to phase out and limit the application of these long-term agreement in this market.

(d) The Commission and Global Roofing Solutions

On 26 July 2024, the Tribunal confirmed, as a consent agreement, a settlement agreement between the Commission and Global Roofing Solutions (GRS). This confirmation followed from an investigation by the Commission alleging that GRS supplied concealed fix steel roofs to consumers subject to a warranty provided on condition that (only) GRS's solar panel mounting clamps are to be used when installing solar panels.

As a result of GRS' warranty, the Complainant and other suppliers of clamps were excluded from supplying mounting clamps as customers were not willing to take the risk of voiding the warranty by using third party clamps. The Commission assessed the complaint as a possible contravention of sections 8(1)(d)(i) and/or 8(1)(c) of the Competition Act.

The Commission found that suppliers of solar mounting clamps had in some instances been unable to supply their own clamps to projects which GRS had supplied standing seam and/or concealed fix roofing products, because customers preferred GRS clamps to ensure that the warranty given by GRS in respect of its products would not be negatively impacted.

The Commission also found that it was not GRS's intention to manufacture and sell the solar panels mounting bracket exclusively. GRS's business focus is not supply of solar panels mounting components. Furthermore, the Commission's investigation found that GRS was willing to test, co-develop and would allow for the use of third-party solar clamps if the clamp complies with GRS's prescribed technical compatibility requirements.

In an effort to promote competition and the availability of materials for use in the production and installation of solar panels, GRS was willing to cooperate with the Commission in resolving the concerns raised by the Complainant. The Commission therefore invited GRS to settle the complaint by agreeing on appropriate terms.

The key terms of the settlement agreement consisted, inter alia, of GRS not stipulating any warranty conditions in respect of its standing seam and concealed fix roofing products, to the effect that any such warranty shall be invalidated merely by virtue of the installation of solar clamps manufactured by third parties and GRS undertaking to ensure that its published technical specifications and installation methodology will be determined from time to time with reference to best industry practice and sound technical and engineering standards.

(e) Intervention in the Pharmaceutical Sector: The Case of Bedaquiline Pricing and Access

On 12 September 2023, the Commissioner of the Commission in terms of section 49B(1) of the Competition Act initiated a complaint against Johnson & Johnson (Pty) Ltd and its subsidiary company Janssen Pharmaceutica (Pty) Ltd (collectively referred to as the respondents).

The initiation was based on information in the Commission's possession that gave rise to a reasonable suspicion that the respondents may have engaged in exclusionary practices and excessive pricing in the provision of *Bedaquiline* (trading as Sirturo®) which is a drug used in the treatment of tuberculosis (TB). The conduct was assessed as a possible contravention of sections 8(1) and 8(1)(a) of the Competition Act.

In terms of the allegations:

i. the respondents held a patent for *Bedaquiline* in South Africa which expired in July 2023. However, they had filed a secondary patent with the Companies and Intellectual Property Commission (CIPC) – which in effect resulted in prolonging the lifespan of the *Bedaquiline* patent to 2027 and restricting generic entry, and
ii. due to restricted generic entry as a result of the extended patent, the respondents were charging excessive prices to the National Department of Health (NDoH) as the procurer of *Bedaquiline* in South Africa.

On 18 June 2024, the Commission took a decision to non-refer the complaint initiated against the respondents, based on the following developments ensuing as a result of the Commission's initiation and engagements with the respondents:

i. The respondents have publicly agreed not to enforce the key patent held with respect to *Bedaquiline* in 134 low- and middle-income countries, including South Africa. This means that generic suppliers are free to enter the market; and
ii. The respondents agreed to re-enter into negotiations for the prices charged for *Bedaquiline* to the NDoH. The renegotiation has resulted in the price of *Bedaquiline* being reduced by approximately 40%. Prior to the renegotiation, NdoH was contracted to pay R5 577,12 for the period 1 October 2023 to 30 September 2025. The revised price offered to the NDoH is currently R3 148,00, inclusive of VAT and logistics. The price being offered to NDoH is aligned to what the respondents are offering to the Global Drug Facility (world's largest procurer of TB medicines and diagnostics). The NdoH has since accepted the revised price offered by the respondents.

The Commission is satisfied that the objectives of the Competition Act, together with the public interests have been achieved through the initiation of the complaint and subsequent change in the conduct of the respondents. The non-referral brings to an end the investigation against the respondents.

(f) Commission Concludes Investigation into Vertex Pharmaceutical's Cystic Fibrosis Medicines

In March 2022, the Commission initiated a complaint against Vertex Pharmaceutical Incorporated (Vertex), for allegedly engaging in exclusionary practices and excessive pricing in the provision of Kalydeco, Orkambi, Symdeko and Trikafta. These are drugs used to treat cystic fibrosis, a rare genetic disease that primarily affects the lungs and the pancreas.

Following the Commission's investigation and various engagements with Vertex, Vertex gave formal undertakings to the Commission to continue to make Trikafta available in South Africa through Section 21 of the Medicines and Related Substances Act (Section 21), which enables the sale of unregistered drugs within South Africa. The Commission welcomes Vertex's undertakings and as a result, it has non-referred all allegations against Vertex.

In its investigation, the Commission found that while Vertex had commenced efforts to provide access to Trikafta through Section 21, these drugs were not registered with the South African Health Products Regulatory Authority (SAHPRA). Therefore, patients could only access them from the United States of America (USA) or other countries outside South Africa. Consequently, patients would then import a few months' supply of the medication. The Commission's investigation also identified that Trikafta had broadly replaced the use of Kalydeco, Orkambi, and Symdeko among patients diagnosed with cystic fibrosis.

To reduce the financial burden on eligible patients, Vertex started supplying Trikafta in April 2024 through a local distributor. This makes Trikafta available locally at prices that enable cystic fibrosis patients to access treatment. Separately, financial assistance is available through a patient assistance programme managed by a non-government organisation, and eligible cystic fibrosis patients who belong to certain medical schemes get Trikafta at no cost as they also receive some financial assistance from their medical aid schemes.

The Commission's decision to non-refer the complaint brings the investigation against Vertex to an end. However, the Commission reserves its right to take any enforcement actions against Vertex in the future should new evidence of abuse come to light.

(g) Booking.Com and the Commission reach settlement on Online Intermediation Platforms Market Inquiry appeal

The Commission and Booking.com (Pty) Ltd (Booking.com) have reached an agreement on steps the online accommodation booking platform will take to comply with the Commission's findings and remedial actions from the final report of the Online Intermediation Platforms Market Inquiry (OIPMI). This settlement concludes Booking.com's ongoing review and appeal litigation challenging the OIPMI remedial actions in both the High Court of South Africa and the Tribunal.

In terms of this settlement agreement, Booking.com commits to fulfil the agreed remedial actions, including the removal of wide and narrow price parity terms from all contracts with accommodation providers in South Africa. These terms will also be excluded from criteria for participation in Booking.com's incentive programs (Genius, Preferred Partner, or Preferred Plus) and any other membership programs.

In this regard, wide price parity clauses require accommodation providers on Booking.com to offer prices that are no higher than those on any other online travel platforms while narrow price parity clauses require providers to offer prices on Booking.com that are no higher than those on their own direct online booking channels (e.g. their own websites).

Removing these clauses enhances price competition among online travel agents and allows accommodation providers, such as hotels and guest houses, to offer lower prices on their own websites. This change benefits consumers by providing more affordable options and enables accommodation providers to innovate and develop their direct sales channels.

Additionally, Booking.com will implement a substantial program to fund initiatives that identify, onboard, promote, and grow accommodation establishments, activities, and experiences provided by small to medium enterprises owned by historically disadvantaged persons (HDPs) or HDP communities.

The Commission is pleased with the positive outcome of extensive consultations with Booking.com and the collaborative engagements with the platform and its representatives. This agreement marks a crucial step towards a more competitive and inclusive digital economy. The remedial actions of the OIPMI have the potential to reshape the competitive landscape of online accommodation booking in South Africa, ensuring fairer pricing practices and greater market access for smaller and historically disadvantaged businesses.

The OIPMI report can be accessed at https://www.compcom.co.za/online-intermediation-platforms-market-inquiry-final-report-launch/.

A. Review applications

(a) Review application involving Sasol Gas and the Commission

On 5 March 2024, the CAC issued its decision in the matter between Sasol Gas (Pty) Ltd (Sasol Gas) and the Commission and others. This matter concerned a review application of the Commission's jurisdiction to investigate Sasol Gas with respect to the excessive pricing of natural piped gas.

The CAC's decision dismissed Sasol Gas's review application following its refusal to respond to a summons issued by the Commission. The summons was issued as part of the Commission's investigation pursuant to a complaint which the Commission had received for an alleged breach of section 8(1)(a) of the Competition Act.

The CAC pointed out that section 8(3) of the Competition Act mandates the competition authority to determine whether the price charged is higher than the competitive price. This is the first stage of the enquiry. Unlike a NERSA determination, the Competition Act mandates the Commission to determine what a competitive price may be. This completes the first stage of the statutory inquiry. This indicates clearly that different approaches are required by the two regulators. Furthermore, the CAC added that "…the role of a competitive price (which requires it to be mimicked) is vital to the Commission's ultimate determination".

The CAC also pointed out that the ability of the Tribunal to declare conduct to be a prohibited practice enables a follow-on damages claim for a victim of Sasol Gas conduct. If the Competition Act was exempted from application to Sasol Gas conduct, this would not be available to a justified complainant. In other words, no victim of Sasol Gas abuse could pursue a damages claim in terms of section 65 of the Competition Act.

The CAC dismissed Sasol Gas's review application and confirmed the Commission's jurisdiction to investigate the complaints that were lodged, including that the issuance of the summons stand. Sasol Gas subsequently decided to appeal the CAC decision in the Con-Court on 5 April 2024. The Commission filed its case answering affidavit in this matter on 29 April 2024. On 22 July 2024, the Constitutional Court issued its order dismissing Sasol Gas' leave for appeal due to a lack of prospects of success. Therefore, the CAC's decision in this matter stands.

B. Significant Referrals of Market Conduct Matters

a) The Commission vs Pailpac (Pty) Ltd (Pailpac)

On 24 June 2024, the Commission referred a complaint against Pailpac to the Tribunal for adjudication. Pailpac is alleged to have engaged in an abuse of dominance conduct in contravention of section 8(1)(d)(i) and/or alternatively 8(1)(c) of the Competition Act. Section 8(1)(d)(i) and 8(1)(c) of the Competition Act prohibit a dominant firm from engaging in exclusionary conduct which has an anti-competitive effect in the market. Pailpac has entered into agreements with certain major paint manufacturers, who are its customers, for injection moulded plastic containers for the packaging of water-based paints. These agreements contained clauses that require or induce these customers to purchase all their plastic containers for the packaging of water-based paints only from Pailpac.

Pailpac is a manufacturer of injection moulded thick-walled and wide-mouthed plastic packaging also known as pails or buckets which are supplied to the paints/coatings manufacturers in South Africa. The injection moulded plastic containers are a critical input at the downstream level for the manufacture and supply of paints and are specifically used as packaging material or containers in the coatings industry. The specific plastic containers that are the subject of the complaint referral are those used for the packaging of water-based paints.

The Commission’s investigation revealed that Pailpac is a dominant firm in the market for the supply of injection moulded plastic containers for the packaging of water-based paints. Pailpac concluded supply agreements with six (6) major paint manufacturers which contain exclusivity clauses, which required these manufacturers to procure a majority or the entirety of their supplies of containers for the packaging of water-based coatings exclusively from Pailpac. The six major paint manufacturers are Plascon, Dulux, Prominent Paints, Universal Coatings and Laminin Coatings.

The Commission alleges that this conduct of Pailpac amounts to a requirement or inducement of these customers of containers for water-based paints not to deal with its competitors, in contravention of section 8(1)(d)(i) and/or alternatively section 8(1)(c) of the Competition Act.

The Commission seeks a finding that Pailpac’s exclusive agreements with manufacturers of paints contravenes the Competition Act, that the exclusivity provisions of the relevant supply agreements be declared as null and void, and that Pailpac is liable for the payment of an administrative penalty equal to 10% of its annual turnover in South Africa.

b) Celgene Corporation (CELGENE CORP) and its Subsidiary Celgene Logistics S.A.R.L (CELGENE LOGISTICS) CC

On 6 December 2024, the Commission filed a referral with the Tribunal for prosecution of international healthcare company, Celgene Corporation (Celgene Corp) and its subsidiary Celgene Logistics S.a.r.l (Celgene Logistics) for alleged excessive pricing of a bone marrow cancer treatment drug, Revlimid, in contravention of sections 8(a) and 8(1)(a) of the Competition Act.

The alleged excessive pricing of Revlimid by Celgene took place through a supply and distribution agreement entered into between Celgene Logistics and Key Oncologics (Pty) Ltd (Key Oncologics), for the distribution of Revlimid in South Africa. Revlimid (generic name Lenalidomide) belongs to a class of medicines called immunomodulatory medicines and it is a first line medication used to treat multiple myeloma. Multiple myeloma (sometimes simply referred to as myeloma) is a blood cancer that develops in plasma cells in the bone marrow - the soft, spongy tissue at the center of the bones. This type of cancer is referred to as 'multiple' myeloma because it affects more than one part of the body.

The conduct which is the subject of this referral relates to the price at which Revlimid was sold in South Africa. Key Oncologics is engaged in the distribution of biotechnology and pharmaceutical products and possesses the resources, skills and experience necessary to import, warehouse and distribute Revlimid in South Africa.

The Commission's investigation found that the excessive pricing conduct took place during the period April 2016 until December 2020. The Commission contends that Celgene was a dominant firm (as defined in section 7 of the Competition Act) in the relevant market between 2016 and 2020, as at the time its product, Revlimid, was the only Lenalidomide medicine registered with the Medicines Control Council in South Africa for use in the treatment of multiple myeloma.

Celgene's dominance and market power in the relevant market is further demonstrated by the fact that it was able to charge the same/similar prices for different dosages of Revlimid (Lenalidomide). Celgene charged the same price for Revlimid 10 mg, Revlimid 15 mg and Revlimid 25 mg throughout the period of the alleged conduct.

The Commission considered several competitive benchmarks in its assessment, which all positively revealed the price for Revlimid to be excessive.

The Commission contends that Celgene earned excessive returns on a global level, as it exploited its monopoly power by supplying Revlimid at an excessive price. Celgene further earned excessive returns in South Africa, as one of its markets. The Commission also found that the excessive prices charged by Celgene for Revlimid could not be justified even when considering patent protection allowing for reasonable compensation for research and development (R&D) and innovation.

Whilst multiple myeloma is not curable, the administration of Lenalidomide (Revlimid) was the most recommended treatment for the condition and has been medically shown to extend the life of a patient by up to approximately 13 years. It is clear that to deny patients access to this life-extending medicine by making it unaffordable has the result of shortening patient's life expectancy.

Healthcare is one of seven priorities of the 7th administration of government and has been pursued by the Commission as one of its own priorities. The Commission has a responsibility to contribute solutions to South Africa's challenges, and its investigation and referral of conduct which is anti-competitive and detrimental to consumer welfare in the healthcare sector indicates the Commission's commitment to proactive intervention.

The Commission has asked the Tribunal to impose a maximum penalty against Celgene Corp and Celgene Logistics, for its alleged harmful conduct.

C. Significant Cartels

(a) The Commission vs Mpact Ltd and Others (Mpact Sheet Plants)

On Wednesday 14 August 2024, the Tribunal confirmed as an order a settlement agreement reached between the Commission and Mpact Limited (Mpact) on behalf of Rebel Packaging (Pty) Limited (Rebel Packaging). In terms of the settlement agreement, Mpact admitted liability to price fixing, market division and collusive tendering in the market for the manufacture and supply of finished corrugated packaging paper products in contravention of 4(1)(b)(i),(ii) and (iii) of the Competition Act.

On 26 May 2016, the Commission conducted a search and seizure operation at the premises of Mpact and New Era Packaging. Following the search and seizure operation, Mpact applied for leniency for various arrangements, one of which related to its acquisition of minority interests in several sheet plants. These sheet plants were Seyfert, Box Boyz, Right Corrugated, Farmpak, Corokraft, Pretoria Box and Rusmar.

Following this leniency application, on 19 April 2019, the Commissioner initiated a complaint in terms of section 49B(1) of the Competition Act against Mpact and the sheet plants for price fixing, market division and collusive tendering in the market for the manufacture and supply of finished corrugated packaging paper products in contravention of section 4(1)(b)(i),(ii) and (iii) of the Competition Act.

Mpact was the primary supplier of corrugated sheet board to the relevant sheet plants. The sheet plants used the sheet board to produce finished corrugated products. Over and above this, Mpact through its Corrugated Division also produced certain finished corrugated products in competition with these sheet plants.

Mpact disclosed to the Commission that it had the following bilateral agreements with each of the sheet plants:

- not to target each other's sheet plants, to allocate customers in that Mpact would refer customers with smaller orders to the sheet plants,
- to discuss the prices at which Mpact and the sheet plants quoted to customers,
- sheet plants would also seek advice and assistance from Mpact in relation to the prices at which they should tender.

The Commission found that the conduct constituted price fixing, market division and collusive tendering in contravention of section 4(1)(b)(i)(ii) and (iii) of the Competition Act. Mpact had acquired minority shareholding in each of Box Boyz, Right Corrugated, Seyfert and West Coast Paper Traders through its subsidiary. As a result, Mpact had a representative who sat on the board of directors of the sheet plants. This meant Mpact through Rebel Packaging had joint control of these entities.

The transactions where Mpact acquired these shareholdings constituted mergers and were notifiable in terms of section 13A of the Competition Act. However, Mpact implemented these transactions without prior approval and therefore contravened section 13A(3) of the Competition Act. Following the disclosure, the Commission requested Mpact to notify each of these transactions.

In an effort to regularise its activities in this sector of the market, Mpact approached the Commission with a two-part proposal which entailed firstly paying a penalty for its role in fixing the pricing, dividing markets and tendering collusively with the sheet plants. Mpact would also pay a fine for the prior implementation of the notifiable mergers discussed above. Finally, Mpact would go on to convert its minority shareholding in all the sheet plants into majority stakes by notifying mergers as far as those transactions are consent.

To this end the Commission and Mpact entered into a settlement agreement in terms of which, Mpact agreed to pay an administrative penalty of R7 000 000 in full and final settlement and completed all proceedings between the Commission and Mpact and its sheet plants. The administrative penalty was to be allocated as follows: R4 000 000 for failure to notify (and the prior implementation of) the mergers in respect of Box Boyz, Right Corrugated, West Coast Paper Traders and Seyfert; and R3 000 000 in respect of the alleged contravention of section 4 of the Competition Act.

Mpact also agreed to refrain from engaging in conduct which contravenes section 4(1)(b) of the Competition Act and to continue to implement and monitor their existing competition law compliance programmes as part of their corporate governance policies, which are designed to ensure that their employees, management, directors, and agents do not engage in future contraventions of the Competition Act.

Mpact is one of the largest producers of packaging paper products in South Africa. Together with the sheet plants they produce packaging sheets, including kraft paper, containerboard and corrugated sheets, and convert these products into paper bags, cartons and boxes. Packaging paper products are an important input and certainly contribute to the costs of various products requiring paper packaging and as such this was an important case which was of high priority to government. The case dismantles multiple cartels in the packaging sector, which includes food packaging, which drives the cost of food.

(b) Commission vs Denso & NGK Spark Plug Company Limited

Between 2 October 2014 and 10 March 2017, the Commission initiated 10 complaints against NGK Spark Plug Company Limited (NGK Limited) and Denso Corporation (Denso) (the respondents) in terms of section 49(B)(1) of the Competition Act. The complaints were regarding the alleged contravention of sections 4(1)(b)(i),(ii) and (iii) of the Competition Act.

The allegations against the respondents were that they entered into bilateral agreements and/or engaged in a concerted practice to fix the price, divide markets and tender collusively in response to request for quotations (RFQs) issued by OEMs in various markets for the manufacture and supply of spark plugs, air fuel ratio sensors, oxygen sensors, exhaust gas temperature sensors (EGTS), glow plugs and knock sensors (the automotive components).

The Commission’s investigation found that on or about 2000 to 2009, the respondents agreed and/or were party to a concerted practice to fix prices, divide markets and tender collusively in response to RFQs issued by Chrysler, Honda, General Motors, Nissan, Fuji Heavy Industries, Toyota and Volvo in respect of various models for the supply of spark plugs, oxygen sensors and air fuel ratio sensors. The implicated vehicle models were imported into South Africa.

The Commission and NGK Limited concluded a settlement agreement wherein NGK would pay an administrative penalty amounting to R1 078 879.00 without an admission of liability for contravening section 4(1)(b)(i),(ii) and (iii) of the Competition Act.

D. Significant M&A matters finalised by the Commission in the 2024/25 financial year

This section discusses three significant mergers assessed in the period under review. The first merger we discuss is in the casino gambling sector and is one of two mergers in which the Commission recommended a prohibition on competition grounds in the 2024/25 financial year. The second matter is in the transport and logistics sector, one of the Commission's priority sectors. This sector was prioritised due to its pivotal role in unlocking growth and efficiencies across the economy. The merger identified unacceptable post-merger concentration in the management of container parks, with possible negative effects on costs and competitiveness across several economic sectors. The Commission thus recommended that it be prohibited.

The third merger is in the telecommunications sector, a critical network industry that underpins developments in ICT & Digital Markets and is also one of the Commission's priority sectors. The merger relates specifically to the rollout of fibre in underserved, low-income communities. Based on the Commission's investigation, the merger did not raise substantial competition concerns and secured several public interest benefits. The Commission thus recommended that the merger be conditionally approved.

(a) Sun International (South Africa) Limited (SISA) / Peermont Holdings Proprietary Limited (Peermont)

The Commission recommended that the Tribunal prohibit the proposed transaction whereby Sun International Limited (SISA) intends to acquire Peermont Holdings (Pty) Ltd (Peermont). Both the Acquiring Firm and the Target Firm are involved in casino gambling, alternative gaming (i.e., non-casino gambling), and short-term accommodation (including at their casino complexes).

The Acquiring Group owns 11 casino complexes in various locations across South Africa. In Gauteng, the Acquiring Group operates the Time Square casino in Menlyn, Pretoria and Carnival City casino in Brakpan, Johannesburg. The primary target firm, Peermont, owns 8 casino complexes across South Africa. In Gauteng, it owns the Emperor's Palace casino complex located close to OR Tambo International Airport.

The Commission found that the proposed merger is likely to substantially prevent or lessen competition in the provision of casino gaming services in South Africa and in Gauteng. In particular, the Commission found that the merger significantly changes the structure of the national market by reducing the number of national operators from three to two, removing an effective competitor from the relevant market. Post-merger, 92% of the casinos operating in South Africa would be owned and operated by only two firms.

In addition, the merger will result in the SISA owning and operating a number of casinos located in prime locations which will give SISA a significant competitive advantage over its competitors. SISA already owned several casinos located in prime locations such as (i) Grand West Casino near Cape Town International Airport, (ii) Boardwalk casino near Chief Dawid Stuurman International Airport; and (iii) Sibaya Casino near King Shaka International Airport, providing convenient access for persons traveling to attend events/promotions at these casinos. The proposed merger will result in Emperors Palace being added to the network of casinos.

The Commission further found that the merger is likely to result in the two remaining casino operators in central Gauteng behaving co-operatively instead of competing with each other. For instance, the remaining casino operators in central Gauteng can agree on the level at which the winnings for customers are determined. They can even decide not to compete against each other on the promotions.
The Commission also considered the remedies tendered by the merging parties and is of the view that the remedies do not adequately remedy the competition concerns resulting from the proposed merger.

Furthermore, the Commission concluded that the public interest commitments made by the merging parties do not outweigh the competition harm that will result of the merger.

(b) United Container Depot (Pty) Ltd (UCD) and Kings Rest Container Park (Pty) Ltd (KRCP)
In December 2023, the Commission received notification of a proposed large merger between UCD and KRCP. The merger parties are both active in the provision of empty container services which include the storage, maintenance, and repair of both dry and refrigerated (so-called “reefer”) containers.

The primary acquiring firm, UCD, is ultimately controlled by Grindrod Limited (Grindrod), a public company listed on the Johannesburg Stock Exchange (JSE). UCD’s container depots are situated in Cape Town, Durban and Johannesburg. The primary target firm, KRCP, has two container depots in Durban (at Bayhead and Clairwood Park) and one container depot in Johannesburg (at City Deep).

The Commission found that UCD and KRCP are the only two firms that provide so-called reefer services (i.e., container storage, maintenance, and repair services for refrigerated containers) in Johannesburg and that they are the largest of four firms that provide reefer services to the open market in Durban. Although there are several smaller competitors that provide storage and handling services for non-refrigerated containers, there are very few players that provide an integrated offering, like the merger parties do.

The Commission thus found that the proposed merger will likely result in a substantial lessening of competition in the market for the provision of empty container services both in Johannesburg and Durban. In Johannesburg, the proposed merger is likely to result in a complete loss of competition as UCD and KRCP are the only companies that provide the full suite of empty container services for both refrigerated and non-refrigerated containers. Therefore, the proposed transaction results in the removal of an effective competitor from the market and the merged entity was likely to exercise market power in the container storage market in Johannesburg post-merger.

The Commission further found that the proposed merger will also remove an effective competitor in the market for the provision of empty container storage services in Durban and by so doing, reduce the number of empty container storage depot operators that provide a full suite of services in the Durban market. As a result, the Commission is of the view that significant harm to competition is likely to arise post-merger as the customers of the merging parties will have fewer options with a full-service offering and sufficient capacity in the Durban market.

The Commission was concerned that the transaction will have a negative effect on prices and costs in the logistics value chain, particularly for shipping liners who rely on the competition that exists between the merging parties pre-merger. Should the merged entity increase prices post-merger, shipping lines are likely to pass these costs down to their customers by also increasing prices. This may have a negative effect on the logistics value chain upon which a significant amount of economic activity depends, especially given the limited empty container depot capacity in the market. This view has been confirmed by market participants.

The merging parties did not provide sufficient evidence of merger-specific technological, efficiency, or other pro-competitive gains that will be greater than (and offset) the likely effects of the loss of competition arising from the proposed transaction, nor substantial public interest commitments that would outweigh the competition concerns. Accordingly, on 28 June 2024, the Commission recommended that the transaction be prohibited.

Following the Commission's recommendation, the merger parties abandoned the transaction on 11 July 2024.

(c) Vumatel (Pty) Ltd (Vumatel) / Herotel Telecoms (Pty) Ltd (Herotel)

The Commission recommended that the Tribunal approves the proposed transaction whereby Vumatel intends to acquire Herotel, with conditions. The primary acquiring firm is Vumatel, a company wholly controlled by Community Investment Ventures Holdings (Pty) Ltd (CIVH). CIVH also controls several firms including Dark Fibre Africa (Pty) Limited (DFA). Vumatel, its controlling entities and its subsidiaries are hereinafter referred to as the acquiring group.

The acquiring group operates through various subsidiaries. Vumatel is a fibre network operator that provides wholesale fibre-to-the-home (FTTH) and fibre-to-the-business (FTTB) infrastructure at the last-mile level to internet service providers (ISPs). DFA largely offers wholesale metropolitan fibre to fixed network operators, mobile network operators and other downstream companies requiring access to its fibre network.

The primary target firm is Herotel and it is not controlled by any firm. Herotel operates at the national fibre infrastructure, last-mile fibre infrastructure, retail internet access services and fixed wireless access (FWA) levels of the telecommunications market. Herotel operates primarily in secondary towns and peri-urban areas and is thus an important player in underserved markets.

The investigation identified two vertical overlaps relevant for the assessment of the proposed transaction. The first vertical overlap is the overlap between wholesale FTTH providers (upstream) and retail FTTH providers (downstream). The second vertical overlap is the provision of metropolitan connectivity (upstream) to wholesale FTTH providers (downstream).

<u>First vertical overlap</u>

With respect to the provision of wholesale FTTH to ISPs/retail FTTH providers, the Commission notes that pre-merger, only Vumatel provides wholesale access to its FTTH network. Herotel operates on a closed-access basis and does not allow access to its fibre network to competing ISPs. However, Herotel is vertically integrated and also operates at the retail level against other independent ISPs.

The Commission was concerned that the merger may result in merger-specific anti-competitive effects in the downstream retail market if Vumatel were to change its pre-merger roll-out plans in favour of rolling out fibre in low LSM areas through Herotel instead of Vuma Reach, foreclosing downstream competitors who would otherwise have access to the Vumatel network. The Commission and the merger parties agreed to conditions that would address this concern.

Second vertical overlap

In terms of access to metropolitan connectivity by wholesale FTTH providers, the investigation found that the merged entity would have the ability and incentive to preference Vumatel and Herotel relative to other downstream fibre network operator (FNO) rivals. In this regard, the Commission found that DFA is a supplier of metropolitan connectivity while Vumatel and Herotel are customers of DFA. Herotel procures a significant portion of its metropolitan fibre infrastructure from DFA. Herotel would also need backhaul to connect any new areas.

Since the proposed transaction would combine Herotel and Vumatel's last-mile networks, the incentive to engage in foreclosure strategies to curb competition from rival FNOs in lower LSM areas and secondary towns would be increased. The parties agreed on remedies that could prevent self-preferencing and ensure continued open access of the DFA network.

Ultimately, and to address the vertical concerns identified, the acquiring group agreed to maintain pre-merger open access and to continue to provide services on terms that are transparent and non-discriminatory. Further, Vumatel also made public interest commitments to roll out FTTH in low-income areas, to the benefit of lower-income consumers.

E. Litigation on Mergers

a. Vodacom (Pty) Ltd (Vodacom) and Business Venture Investments No 2213 (Pty) Ltd

On 29 October 2024, the Tribunal issued an order prohibiting the proposed large merger transaction between Vodacom (Pty) Ltd (Vodacom) and Business Venture Investments No 2213 (Pty) Ltd (now known as Maziv). The Tribunal is yet to issue reasons for its decision.

On 26 November 2024, the merger parties and the dtic each noted their appeal of the Tribunal's decision before the Competition Appeal Court (CAC). The appellants will file their grounds for appeal upon receipt of the Tribunal's reasons for its decision to prohibit the merger.

F. Merger Regulation

Mergers are classified as either small, intermediate, or large, depending on the turnover or asset value of the merger parties. It is not compulsory for small mergers to be notified, and no filing fee is prescribed. However, the Commission may call for the notification of a small merger within six months of implementation, if it believes the merger is likely to substantially prevent or lessen competition, or if the merger cannot be justified on public interest grounds.

The merger thresholds were last revised in October 2017 and are set out in the table below. The Commission receives a filing fee for every intermediate and large merger filed.

Table 3: Mergers and acquisitions thresholds applicable in the 2024/25 financial year

Threshold	Combined turnover or asset value	Target turnover or asset value	Size of the merger	Filing fee
Lower threshold	R 600 000 000	R 100 000 000	Intermediate	R 165,000.00
Higher threshold	R 6 600 000 000	R 190 000 000	Large	R 550,000.00

For operational efficiency, the Commission classifies mergers as either phase 1 (non-complex), phase 2 (complex) or phase 3 (very complex) mergers, depending on the complexity of the competition or public interest issues raised.

The Commission has published service standards for the time periods it takes to complete a merger investigation. These service standards are necessary as the Competition Act has set out time frames for merger investigations regardless of their level of complexity. Therefore, the service standards assist in managing internal deadlines and stakeholders' expectations when notifying mergers of varying complexity. The table below gives a complete picture of the time frames set out in the Commission's service standards, and the maximum allowable time frames set for merger assessments in the Competition Act.

Table 4: Time frames for assessing mergers of varying complexity

	SMALL		INTERMEDIATE		LARGE	
	Service standard	Competition Act	Service standard	Competition Act	Service standard	Competition Act
PHASE 1 (non-complex)	20 days	60 days	20 days	60 days	20 days	40 days with ability to extend period by 15 days at a time
PHASE 2 (complex)	45 days	60 days	45 days	60 days	45 days	40 days with ability to extend period by 15 days at a time

PHASE 3 (very complex)	60 days	60 days	60 days	60 days	120	40 days with ability to extend period by 15 days at a time

In the 2024/25 financial year, the Commission met all its turnaround time targets. Specifically, Phase 1 (non-complex) cases were, on average, completed in 14 days against a service standard of 20 days. Phase 2 (complex) cases were completed, on average, in 35 days evaluated against a service standard of 45 days. Phase 3 (highly complex) intermediate and small mergers were, on average, completed in 51 days against a service standard of 60 days and 90% of Phase 3 large mergers were completed, on average, in 76 days (and an average of 106 days for all Phase 3 large mergers), against a service standard of 120 days.

Table 5: Average turnaround times in 2024/25 against service standards

Phase	Service standard	Total number of transactions (excluding withdrawn and no jurisdiction cases)	Average turnaround time
Phase 1	20	12	14
Phase 2	45	253	35
Phase 3 (small and intermediate)	60	32	51
90% of Phase 3 large merger investigations	120	23	76 (106 for all Phase 3L)

Trends in notification and approval over the past five years

The number of mergers notified increased by a compound annual growth rate of 8% over the past five years, and 23% year on year. The upward trend in merger activity is a positive sign of improved economic activity after the slowdown in 2020/21 attributable in part to the Covid-19 pandemic.

In terms of cases finalised in the 2024/25 financial year, the Commission performed well, finalising 330 mergers in the period, 24% more than in the preceding financial year and the highest overall in the past five years. Conditional approvals accounted for 37% of all cases finalised, 10 percentage points lower than the 47% in 2023/24.

Table 6: Mergers notified and reviewed over five years

	2020/21	2021/22	2022/23	2023/24	2024/25
Notified	**242**	**295**	**273**	**268**	**330**
Large	72	89	105	85	99
Intermediate	161	197	165	175	215
Small	9	9	6	8	16
Finalised	**225**	**297**	**258**	**266**	**330**
Large	67	92	94	89	103
Intermediate	150	200	154	170	210
Small	8	5	10	4	17
Approved without conditions	**189**	**216**	**189**	**136**	**196**
Large	50	60	62	49	61
Intermediate	132	152	122	81	128
Small	7	4	5	6	7
Approved with conditions	**34**	**74**	**68**	**126**	**122**
Large	16	30	32	38	39
Intermediate	17	44	31	87	82
Small	1	0	5	1	1
Prohibited	2	5	1	1	2
Large	1	2	0	1	2
Intermediate	**1**	**3**	**1**	**0**	**0**

Small	0	0	0	0	0
Withdrawn / No jurisdiction	2	2	6	3	10
Large	0	0	2	1	1
Intermediate	**1**	**1**	**4**	**2**	**0**
Small	**1**	**1**	**0**	**0**	**9**

The impact of public interest conditions imposed in mergers in 2024/25

During the financial year 2024/25, the Commission recommended conditional approvals and/or imposed conditions in one hundred and twenty-two (122) merger cases.

Employment conditions imposed in mergers

The Commission's interventions in mergers resulted in a net saving of 7 467 jobs in the 2024/25 financial year. This number does not record the full extent of the impact of merger control on employment as it does not include the impact of moratoria on retrenchments imposed as conditions to mergers. However, from the second quarter of 2024/25, the Commission started tracking the number of employees covered by moratoria on merger-specific retrenchments. The estimated number for the last three quarters of 2024/25 was 41 415 workers.

Table 7: Impact of Mergers on Jobs in 2024/25 financial year

Month	Jobs lost	Jobs saved	Job creation commitments	Net effect (Jobs saved + Jobs created – Jobs lost)	Job preservation (moratoria)
April	300	200	0	100	Not available, implemented in Q2
May	0	0	34	34	Not available, implemented in Q2
June	0	3 947	0	3947	Not available implemented in Q2
July	2	0	15	13	3050
August	0	96	0	96	7235

September	0	0	101	101	446
October	233	775	0	542	7070
November	18	1895	23	1900	3595
December	27	417	58	448	10941
January	0	0	0	0	6060
February	13	425	12	424	3489
March	0	62	0	62	529
Total	**593**	**7 817**	**243**	**7 467**	**42 415**

Impact of mergers on the promotion of a greater spread of ownership, in particular to increase the levels of ownership by HDPs and workers in firms in the market

During the 2024/25 financial year, the Commission imposed conditions that promote ownership by workers and HDPs in 31 cases. Merger parties committed to establishing employee share ownership schemes (ESOPs) in 14 cases, while merger parties committed to introducing shareholding by HDPs in 13 cases. In four cases, the merger parties would establish either an ESOP or conclude an HDP transaction based on several post-implementation considerations.

By our estimates, which are largely based on transaction values, the total value of the quantifiable ESOPs in the 2024/25 financial year was approximately R1.2 billion while the total value attributable to the HDP transaction commitments was an estimated R266 million.

These figures exclude the transactions in which the parties may elect to implement either an ESOP or an HDP transaction (which election has not taken place at the time of reporting).

Table 8: Mergers approved with conditions that promote transformation

Quarter	Number of HDP transactions	Value of HDP transactions (est., mn)	Number of ESOPs	Value of ESOPs (est., mn)
Q1 (Apr – June)	7	R12.9	5	R641
Q2 (July – Sept)	3	R98.8	4	R317.8

Q3 (Oct – Dec)	3	R154.7	3	R32.5
Q4 (Jan – Mar)	0	-	2	R217.6
Total	**13**	**R266.4**	**14**	**R1 208.9**

Impact of mergers on the ability of small and medium sized businesses, or firms controlled or owned by HDPs, to effectively enter into, participate in or expand within the market

In the 2024/25 financial year, a total of fifty-seven (57) cases were approved with conditions related to the promotion of participation by SMMEs and HDP-owned firms and enterprise development. These conditions include (i) commitments to procure from SMMEs and HDPs, (ii) the provision of business support to QSEs, SMMEs and HDPs, as well as (iii) skills development commitments, including the provision of bursaries to HDPs, and enterprise development programmes. The estimated value of these commitments in 2024/24 was R 2.6 billion.

G. Investigations initiated in priority sectors in the 2024/25 financial year

(a) Commission vs Otsuka Holdings Co. Ltd

The Commission initiated a complaint against Otsuka Holdings Co. Ltd (Otsuka) in relation to the patent held to supply medication called Delamanid in South Africa. Delamanid is used in the treatment of Multi Drug Resistant (MDR-TB), which is defined as TB that is resistant to both isoniazid and rifampicin, the two most potent TB drugs. MDR-TB accounts for approximately 2.8% of TB cases in South Africa. In many such cases, the patient's TB strain may be resistant to one or more of the second-line drugs conventionally used to treat MDR-TB.

The Commission conducted a scoping study on patent filings for the drug Delamanid in quarter 1. The scoping study revealed that Otsuka has held a monopoly on Delamanid for the past 18 years through its primary base compound patent which expired in South Africa in 2023. However, Otsuka has sought to further extend its monopoly status by filing three secondary patents associated with the drug.

The information in possession of the Commission revealed that even though the Delamanid secondary patents were rejected and/or withdrawn in other jurisdictions, the patents filed in South Africa were granted. As such, Otsuka was able to extend its patent in South Africa, as the patent process does not include a Substantive Search Examination (SSE) prior to the granting of patents. The CIPC merely conducts an examination in relation to the formalities of a patent application, and not the technical evaluation of the validity of the application. This means that South Africa employs a "depository system" which entails that patent applications made to the South African patent office are merely examined for compliance with the requisite formalities deemed necessary for the granting of a patent.

It seems that the secondary patent filings by Otsuka were intended to extend its long-held monopoly in South Africa effectively preventing generic entries from 2023, when the compound patent expired. The patent evergreening entrenches Otsuka's market power as there is no competition from generic manufacturers to discipline its pricing. The conduct of Otsuka is alleged to be exclusionary in contravention of section 8(1)(c) of the Competition Act and is on-going.

(b) Initiation against Novo Nordisk

The Commission has information that gives rise to a reasonable suspicion that Novo Nordisk (Pty) Ltd (Novo) has and continues to engage in likely exclusionary practice(s) in the provision of insulin cartridges and insulin pen devices used in the treatment of diabetes mellitus, more commonly known simply as "diabetes". This conduct may be in contravention of section 8(1)(c) of the Competition Act.

It is alleged that Novo may be limiting competition, both in terms of entry by insulin pen device and cartridge manufacturers and/or biosimilar insulin producers. The Commission's information suggests that, over and above an apparent shortage of insulin pens in the country, insulin cartridges and pens are designed to have limited to no interoperability between manufacturers. Each firm's insulin pens are designed differently such that they mostly only function with each firm's own insulin cartridges.

This conduct may raise the costs of entry/expansion for rivals for either/both insulin cartridges and insulin pens by forcing them to enter both markets. In addition, a diversion of supply from insulin pens to weight loss pens and the resultant switch back to the supply of insulin vials only, constituting a regression in the treatment of diabetes, may harm consumers.

(c) Initiation against Sanofi Aventis

The Commission has information that gives rise to a reasonable suspicion that Sanofi-Aventis South Africa (Pty) Ltd (Sanofi) has and continues to engage in likely exclusionary practice(s) in the provision of insulin cartridges and insulin pen devices used in the treatment of diabetes mellitus, more commonly known simply as "diabetes". This conduct may be in contravention of section 8(1)(c) of the Competition Act.

It is alleged that Sanofi may be limiting competition, both in terms of entry by insulin pen device and cartridge manufacturers and/or biosimilar insulin producers. The Commission's information suggests that, over and above an apparent shortage of insulin pens in the country, insulin cartridges and pens are designed to have limited to no interoperability between manufacturers. Each firm's insulin pens are designed differently such that they mostly only function with each firm's own insulin cartridges.

This conduct may raise the costs of entry/expansion for rivals for either/both insulin cartridges and insulin pens by forcing them to enter both markets. In addition, a diversion of supply from insulin pens to weight loss pens and the resultant switch back to the supply of insulin vials only, constituting a regression in the treatment of diabetes, may harm consumers.

(d) Commission's initiations against General Electric Healthcare (Pty) Ltd, Siemens (Pty) Ltd and Phillips South Africa Commercial (Pty) Ltd over the supply of Diagnostic Medical Imaging equipment

On 28 March 2025, the Commissioner initiated complaints against three manufacturers and suppliers of radiology equipment. Radiology equipment plays an important role in the healthcare system as it allows healthcare practitioners to view the structures inside a body through an array of Diagnostic Medical Imaging (DMI) equipment such as ultrasounds and x-rays and to formulate a diagnosis and determine the appropriate treatment.

The information in the Commission's possession suggests that DMI equipment has an intricate structure comprised of several parts. These parts play an integral role in the effective functioning of the system which is essential to patients receiving diagnostic services in a timely manner as well as the attainment of high-quality images. For these initiations, the relevant DMI equipment are (i) X-rays, (ii) Ultrasound equipment, (iii) MRI scanners and (iv) PET scanners.

In addition, medical imaging software is highly complex using advanced computer algorithms and techniques to enhance and interpret medical images. To safeguard the software, the OEMs implement security measures to control access to authorised persons to use and configure the equipment. Such access measures include service keys, passcodes or an access device like a USB key, which allow engineers to access software used for system diagnostics, calibration, and error reporting. While the security access to the software is essential to protecting unauthorised access to the system, the Commission is concerned that these measures are used by the OEMs as a strategy to restrict and exclude the Independent Clinical Engineers (ICE) from participating in the market for servicing of DMI equipment. Further, the technical information for the equipment is only within the domain of the OEMs.

Furthermore, DMI equipment is complex and must be maintained by clinical engineers who specialise in that equipment. The Commission is concerned that the OEMs do not provide training to the ICEs which limits their participation in the market for servicing of DMI equipment. Currently, the clinical engineers employed by the OEMs or distributors typically service the equipment and may have limited local representation. This results in patients being adversely affected as the equipment does not get serviced timeously and this disrupts the workflow of the equipment and delays the treatment for a patient.

Based on the above, the Commission has a reasonable suspicion that GE Healthcare (Pty) Ltd; Siemens (Pty) Ltd; and Philips South Africa Commercial (Pty) Ltd, are engaging in prohibited practices in contravention of sections 8(1)(b), 8(1)(d)(i), 8(1)(d)(ii), alternatively section 8(1)(c) of the Competition Act.

H. Exemption applications completed in 2024/25 In implementing the amendments of the Competition Act, the Commission under exemption applications

(a) The SAPIA Block Exemption

On 16 April 2024, the Commission received a notification and request for an in-scope confirmation from the South African Petroleum Industry Association (SAPIA) in relation to collaborative practices and agreements that SAPIA members sought to establish for purposes of determining an appropriate cylinder deposit fee. The request was brought in terms of Regulation 6 of the Energy Suppliers Block Exemption Regulations, 2023 (the Regulations) which requires the suppliers of energy products and services to first seek confirmation from the Commission before entering agreements that could potentially contravene the provisions of the Competition Act.

Having considered the request, on 30 May 2024 the Commission provided confirmation to SAPIA that the intended collaborative practices and agreements fall within the scope of the Regulations. The Commission’s confirmation was provided subject to a set of safeguards, including that SAPIA must appoint an independent third party to collate the necessary data and determine an appropriate deposit fee; the appointed third party must ensure HDP firms and small, medium and micro enterprises (SMMEs) are given the opportunity to participate in the collaborative practices and agreements relevant to the block exemption; that once the new cylinder deposit fee has been determined by the independent third party, it must be submitted to the Commission for an assessment that the deposit fee does not exceed the landed cost of the cylinder. These safeguards will also apply to all future adjustments of the deposit fee in the event of an increase in the landed cost.

(b) The Energy Users Block Exemption Regulations 2023

The Commission received a notification from the Energy Users (Task Team) on 15 February 2024, with a request to collaborate and start implementing agreements and practices aimed at securing an alternative energy supply to the current natural gas, in terms of the Energy Users Block Exemptions Regulations (the Regulations), granted on 24 May 2023. The Energy Users exemptions exempt a category of agreements or practices by Energy Users from the application of sections 4(1)(a), 4(1)(b)(i) (excluding the fixing of the selling prices of goods or services to customers or consumers), 4(1)(b)(ii) and 5(1) of the Competition Act. The exemptions exclude the fixing of the selling prices of goods and services to customers or consumers. In terms of the Users Block Exemption, the Commission is required to confirm if the agreements or practices the Energy Users intend to implement falls within the scope of the Regulations.

In their request to the Commission, the Task Team highlighted that they seek to collaborate to implement the LNG solution in response to the projected shortage of natural gas within the next two to four years (2 to 4 years), in light of the imminent depletion of piped gas sourced from the Pande-Temane natural gas field in Mozambique. LNG is a viable alternative energy source to piped natural gas and Methane Rich Gas (MRG).

In assessing if the agreements the Task Team intend to implement falls within the scope of the Regulations, the Commission consulted with certain stakeholders, including some members of the Task Team. The Commission established that joint procurement is necessary for the Energy Users to obtain better LNG prices and to promote a more efficient development and use of the infrastructure. Sharing of information on demand forecasts is necessary to determine if Energy Users will reach initial minimum required offtake volumes. In addition, sharing of information on demand forecasts falls within the scope of the Regulations which allows for the exchange of information.

The Commission took a decision to confirm that the contemplated collaboration by the Task Team falls within the scope of the Regulations.

(c) Exemption granted to the National Hospital Network (NHN)

The old NHN exemption under case number (2017Aug0020) was granted by the Commission for a period of five years commencing on 1 November 2018 and ending on 31 October 2023 however extended to 30 April 2024. Prior to its most recent exemption application, the NHN had been granted four (4) previous exemptions in the past.

The latest NHN exemption application was filed on substantially similar terms to the one that expired on 30 April 2024. The NHN, acting on behalf of its members, filed an application for exemption in terms of section 10(3)(b)(ii) of the Competition Act. The NHN is a co-operative venture controlled by a group of independent private hospitals. Formed in 1996, the NHN's membership is limited to private hospitals operating in Southern Africa. Membership excludes any private hospitals owned or controlled by the following big three hospital groups: Mediclinic Corporation Ltd, Life Healthcare Group (Pty) Ltd and Netcare Holdings Ltd. The primary objective of the NHN is to enter into collective bargaining agreements, on behalf of its member hospitals, with individual medical schemes and/or medical scheme administrators.

More specifically, the Commission granted the NHN an exemption from section 4(1)(b)(i) of the Competition Act permitting it to continue to engage in the following activities on behalf of its members with medical schemes and/or medical scheme administrators:

- NHN's members shall agree collectively to implement the prices negotiated and entered into on their behalf by NHN with medical schemes and/or medical scheme administrators; and
- Promote the interests of its members and to market their services and also provide a base for benchmarking which could help NHN members to increase efficiencies.

In addition to the above exemption, the Commission granted the NHN a further exemption to engage on behalf of its members in global fee negotiations with medical schemes, administrators, the state and healthcare providers (professional associations) and to undertake collective or centralised procurement.

The investigation revealed that all the factors in relation to the conduct sought, that being, collective bargaining, centralised procurement and the negotiation of global fees will lead to the promotion of the ability of small businesses or firms controlled or owned by HDPs to become competitive. Further, the investigation team found that the exemption will enable the members of the NHN to remain competitive against the three large hospital groups.

The investigation further revealed that approximately 2% of NHN members do not qualify as either a firm controlled or owned by HDPs and/or SMMEs. The investigation revealed that the involvement of such members in this exemption is crucial towards strengthening the bargaining position of NHN. The Commission has therefore imposed transformation conditions to ensure that such members implement transformation programmes in line with the objectives of the Competition Act. The exemption was granted for a period of five years starting from 1 June 2024 and ending on 31 May 2029.

(d) Summary of an exemption application filed by the South African Orthopaedic Association

On 15 December 2022, the South African Orthopaedic Association (SAOA) filed an exemption application with the Commission in terms of section 10(1) of the Competition Act, for exemption from certain provisions of Chapter 2 of the Competition Act in order to engage in conduct that would be in contravention of the Competition Act. The aforementioned exemption was intended to be for a period of three (3) years.

The SAOA is a not-for-profit professional association that represents orthopaedic surgeons in South Africa and those who have had orthopaedic training in South Africa or show a continuing interest in the affairs of the association. The SAOA's objective is the advancement for public benefit of the science, art and practice of orthopaedic surgery with the aim of bringing relief to patients of all ages suffering from the effects of injury or disorders of the musculoskeletal system.

An exemption application was being granted giving SAOA permission to engage with major medical scheme funders and others interested to discuss acceptable coding bundles, total units per procedure and an acceptable total quantum.

According to the SAOA, the reimbursement environment requires that surgeons list codes indicating the procedure(s) performed and the absolute quantum charge. Each code has a number of units associated with it and units differ between procedure codes. Each surgeon would then ascribe a Rand unit Value (RUV) in order to create the final account (total procedure units x RUV = Total Invoiced). Each medical scheme/funder/plan has different Rand unit values and codes that they accept as a bundle. As a result, SAOA submitted that this has led to confusion in the marketplace given that surgeons charge different code bundles with different total units and different Rand unit values for the same surgical procedures. Similarly, medical schemes accept or reject different coding bundles and pay at different Rand unit values. This, according to SAOA, places patients in jeopardy as final accounts and shortfalls are difficult to predict.

Given the above, SAOA requested the Commission grant an exemption to allow it (on behalf of its members) to engage with major medical scheme funders and others interested to discuss acceptable coding bundles, total units per procedure and an acceptable total quantum.

SAOA relied upon the objectives set out in section 10 of the Competition Act, which allows for an exemption of agreements and/or practices that contribute towards:

1. Changing the productive capacity necessary to stop decline in an industry in terms of section 10(3)(b)(iii) of the Competition Act;

2. Maintaining economic stability in an industry designated by the Minister in terms of section 10(3)(b)(iv) of the Competition Act; and
3. Achieving competitive and efficiency gains that promote employment or industrial expansion in terms of section 10(3)(b)(v) of the Competition Act.

The investigation of an exemption application filed by SAOA has been completed and the Commission decided to reject the application. The Commission's investigation revealed that the conduct of the SAOA's members would result in a contravention of section 4 of the Competition Act. However, the Commission also found that SAOA's exemption application did not meet the requirements of section 10 of the Competition Act because of the following reasons:

1. No information was submitted by SAOA to prove that the orthopaedic surgery industry is in decline as required by section 10(3)(b)(iii) of the Competition Act;
2. The orthopaedic surgery industry is not an industry designated by the Minister of Trade Industry and Competition as required by section 10(3)(b)(iv) of the Competition Act; and
3. There was a lack of sufficient evidence to prove that the SAOA's exemption would result in efficiency and competitive gains that would lead to the promotion of employment opportunities and industrial expansion as required by section 10(3)(b)(v) of the Competition Act.

(e) The South African Petroleum Industry Association

In anticipation of the previous exemption expiring 31 December 2020 (SAPIA 2015 Exemption), the South African Petroleum Industry Association (SAPIA) filed an exemption application on 28 October 2020 with the Commission, hereafter referred to as the "SAPIA 2020 Exemption". The application relates to coordination required to monitor, prevent, mitigate and react to emergency situations that threaten security of supply of liquid fuels in South Africa, as well as certain engagements between the petroleum industry and the Department of Minerals, Resources and Energy (DMRE) that relate to security of liquid fuels supply, namely the (a) joint planning relating to planned shutdowns of refineries; (b) coordinated reactions to unplanned shutdowns of refineries; (c) functioning of the DMRE's Heads of Supply (HOS) Committee (including the SAPIA Security of Supply Committee); (d) functioning of the DMRE's Logistics Planning Team (LPT); (e) the development of government policy on retention of strategic stocks; (f) DMRE's process of designing regulations for the implementation of government's biofuels policy; and (g) DMRE's process of designing regulations relating to implementation of government's cleaner fuels policy. Importantly, the SAPIA 2020 Exemption Application also covers the so-called "day-to-day" interactions between SAPIA's members and third-party owners and operators of supply chain infrastructure that formed part of previous exemption applications. After conducting a detailed assessment of the matter, including consulting with various stakeholders like the DMRE and the dtic, the Commission granted a conditional exemption to SAPIA in terms of its revised 2020 Exemption application. More specifically, conditional exemption must only be granted for (a) SAPIA engagements and involvement in the DMRE chaired HOS and LPT forums; (b) participation in its SOC meetings on the basis that the SOC meetings are conducted on the same principles as the HOS forum, with the same objectives and same level of transparency and competition law compliance i.e. with no information about prices, customers or competitive strategy being disclosed; and (c) for attending and participating in meetings involving, convened, requested, chaired etc. by the DMRE for the purposes of developing and implementing government policies on Biofuels, Cleaner Fuels and Strategic Stocks only. Lastly, such conditional exemption be granted and aligned with that of the period for which the Minister has granted designation status to the South African petroleum industry i.e. until 30 June 2026.

(f) The South African Society of Physiotherapy

On 22 July 2024, the South African Society of Physiotherapy (SASP) applied for an exemption for a category of agreements, as provided for in section 10(1)(b) of the Competition Act. SASP is a voluntary professional membership association registered as a non-profit organisation under the Nonprofit Organisations Act of 1997 and a public benefit organisation under the Income Tax Act of 1962. It is the representative body of physiotherapist members registered and regulated by the Health Professions Council of South Africa (HPCSA) and its members is exclusively constituted by physiotherapists.

In its exemption application, SASP relies on the objectives set out in:

- Section 10(3)(b)(ii) of the Competition Act, which allows for the promotion of the effective entry into, participation in or expansion within a market by small and medium businesses or firms controlled or owned by HDPs; and
- Section 10(3)(b)(v) of the Competition Act, which allows the competitiveness and efficiency gains that promote employment or industrial expansion an exemption.

The objective of the exemption application is for the SASP, together with the relevant participant stakeholders such as medical schemes, medical scheme administrators, hospital facilities, as well as other healthcare professional members, to collectively:

- negotiate and determine the structuring of billing codes with medical schemes and medical scheme administrators;
- negotiate and determine applicable prices/tariffs in the form of RVUs;
- negotiate and structure global fees, and

- engage in centralised procurement, a process where the SASP, on behalf of its members, would negotiate and purchase goods and services in bulk, potentially leading to cost savings and improved efficiency.

SASP members are competitors or potential competitors in the market for physiotherapists' services. Accordingly, the above conduct(s) may constitute a prohibited practice and contravention of Section 4(1)(b)(i) of the Competition Act, which is a per se contravention of the Competition Act and, therefore, with no defence on efficiency, technological or pro-competitive grounds.

According to SASP, the practices and agreements mentioned above are necessary to engender economic growth and appeal to the SASP, especially to the historically disadvantaged members, if tariff negotiations and centralised procurement are pursued at the negotiation level with medical schemes, medical scheme administrators, and Broad-Based Black Economic Empowerment suppliers. SASP also submits the exemption would increase competitiveness and efficiency gains that promote employment or industrial expansion, which could potentially result in an increase in the services currently on offer and at improved rates for patients.

SASP requests that the Commission grant it an exemption for five (5) years from the date of the Commission's decision. Commission granted the exemption on 25 March 2025.

(g) South African Physiotherapist Exemption 2024Jun0037

On 27 July 2024, the South African Society of Physiotherapy (SASP), on behalf of all its members, filed an application for an exemption in terms of Section 10(1) of the Competition Act. The SASP is a representative body of physiotherapist members, registered and regulated by the HPCSA and exclusively constituted by physiotherapists.

The SASP applied to the Commission for its members to collectively engage with medical schemes, medical scheme administrators, state and private hospitals, suppliers, and other service providers in coding, collusion on setting prices/tariffs in the form of RVUs, global-fee negotiations, and centralised procurement.

The SASP relied on the objectives set out in Sections 10(3)(b)(ii) and 10(3)(b)(iv) of the Competition Act, which allow an exemption of agreements and/or practices that promote the ability of small businesses or firms controlled or owned by HDPs to become competitive; and to ensure competitive and efficiency gains that promote employment or industrial expansion, respectively.

Regarding collective bargaining, billing codes, and global fees, the Commission found no evidence indicating that the absence of collective bargaining on tariffs, billing codes, and global fees in the physiotherapy market has impeded the participation of physiotherapists (SMMEs or firms previously owned by HDPs). The investigation revealed that granting an exemption to SASP will limit competition in the market and result in tariffs that are above competitive levels, which will be detrimental to consumers. The Commission has decided to reject the SASP exemption application in respect of collective bargaining, billing codes, and global fees.

Concerning centralised procurement, the Commission found that if exempted, this practice could enable the SASP to negotiate better terms with manufacturers and distributors of the consumables used by its members. The benefits may extend beyond cost savings and improved quality and positively impact patients receiving physiotherapy services. As a result, the Commission has decided to grant SASP a conditional exemption relating to centralised procurement for a period of five (5) years, commencing from 1 April 2025.

I. PENALTIES IMPOSED BY THE TRIBUNAL

Penalties are imposed by the Tribunal after it has heard a case to its conclusion and thereafter makes a finding. If the respondent/s are found guilty, the Tribunal has the option to impose a financial penalty. The Tribunal imposed R42 531 059,38 (forty-two million, five hundred thirty-one thousand, fifty-nine rand and thirty-eight cents) in the 2024/25 financial year.

J. SETTLEMENT AGREEMENTS

A settlement agreement is an agreement between the Commission and a respondent settling a complaint, which is confirmed by the Tribunal as an order of the Tribunal. The Commission negotiates the terms of the settlement agreement, which are then confirmed by the Tribunal.

In the 2024/25 financial year, 16 (sixteen) settlement agreements were confirmed by the Tribunal, amounting to a total of R47 200 452.93 (forty-seven million, two hundred thousand, four hundred and fifty-two rand and ninety-three cents).

Table 9: Settlement Agreements confirmed in 2024/25

Decision Date	Case Name	Section Transgressed	Penalty levied
21/06/2024	The Commission vs Kalkor Pty Ltd	4(1)(b)(i), 5(2)	R47 028.32
6/06/2024	The Commission vs GS United Holdings (Pty) Ltd	4(1)(b)(i)(iii)	R800,000.00
4/06/2024	The Commission vs Hard Hat Equipment	4(1)(b)(i)	R480,000.00
27/06/2024	The Commission vs Mix Telematics International Pty Ltd	4(1)(b)(ii)	R250,000.00
14/08/2024	The Commission vs Mpact Limited and New Era Packaging (Pty) Ltd	4(1)(b) (i)(ii)(iii)	R21,298,478.38
26/08/2024	The Commission vs Rebel (Pty Ltd Mpact Ltd and Others	4(1)(b) (i)(ii)(iii) 13A (3)	R7,000,000.00
26/07/2024	The Commission vs Victron Energy B.V	5(2)	R14 232 581.00
24/07/2024	The Commission vs Vita Gas	8(d)(i) 8(1)(d)(i) 8 (c) , 8(1)(c)	R0
26/07/2024	The Commission vs Global Roofing Solutions	8(1)(d)(i) and/ or 8(1)(c)	R0
14/11/2024	Commission vs Carrus Information Technologies (Pty) Ltd	4(1)(b)(ii)	R50, 000.00
14/11/2024	Commission vs Morecorp (Pty) Ltd T/A The Pro Shop	4(1)(b)(i)	R0.00
21/11/2024	Commission vs Adreach	4(1)(b)(i)	R791,849.92
26/11/2024	Commission vs DN Invest	13(A)1	R330 000.00
17/02/2025	Commission vs DH Brothers Industries (Pty) Ltd T/A Willowton	4(1)(b)(i)(ii)	R 1 000 000.00
04/03/2025	Commission vs Vermont Sales	5(2)	R900 000.00
27/03/2025	Commission vs Tenneco GMBH	4(1)(b)(i)(ii)(iii)	R20 515.34
Total	**R47 200 452.93**		

K. Market inquiries

A market inquiry refers to a formal inquiry in respect of the general state of competition, the levels of concentration in, and structure of a market for particular goods or services, without necessarily referring to the conduct or activities of any particular named firm. Market inquiries are different from other types of investigations undertaken by the Commission in that, while investigations target specific firms engaged in specified anticompetitive conduct, market inquiries investigate any feature or combination of features in a market which may have the effect of impeding, distorting or restricting competition. Market inquiries are thus an important tool in understanding competitive dynamics in a market and how competition can be promoted in the interest of more competitive and inclusive markets. Where the Commission identifies market features that impede, restrict or distort competition through the market inquiry process, the Commission is required to take appropriate action to remedy such distortions. This may include the imposition of binding remedial actions or making recommendations to any minister, regulatory authority or affected party to take action to remedy, mitigate or prevent competition distortions.

(a) Market inquiries initiated

During the 2024/25 financial year, the Commission took a decision to initiate a market inquiry into franchising. This market inquiry will assess if there is any feature or a combination of features in franchising which impede, restrict or distort competition. The market inquiry will also assess if there are any factors that hinder or impede the entry and effective participation and expansion of SMMEs and HDP businesses in franchising. The Commission contemplates issuing the draft terms of reference in the 2025/26 financial year, which will outline in detail the scope and issues to be considered by this market inquiry.

(b) Market inquiries underway

(i) Media and Digital Platforms Market Inquiry (MDPMI)

There is currently (1) one ongoing market inquiry at the Commission, the Media and Digital Platforms Market Inquiry (MDPMI). This market inquiry was initiated to examine the distribution of media content on search and social media digital platforms, artificial intelligence, chatbots and assisted search, and advertising technology markets that connect advertisers and news publishers' websites.

During the period under review, the MDPMI reached a significant milestone with the publication of its provisional report with preliminary findings, remedial actions and recommendations. In response to the provisional report, the MDPMI received extensive written submissions from affected parties and other stakeholders.

The next phase of the Inquiry will focus on a comprehensive review of all submissions received and holding targeted engagements with stakeholders from both the private sector and government to discuss the proposed remedial actions and recommendations in greater depth. These interactions are intended to ensure that the final remedies are practical and reasonable, and responsive to the sector's needs.

The Inquiry will then proceed to draft and finalise its final report, taking into account the input received during this consultation period.

(c) Market inquiries completed

The Commission is also undertaking the implementation of remedial actions and recommendations in completed market inquiries. The market inquiries are briefly outlined below:

(i) Fresh Produce Market Inquiry

The Fresh Produce Market Inquiry (FPMI) commenced on 31 March 2023 and sought to determine whether there exist market features which impede, distort or restrict competition in various markets for fresh produce in South Africa. The scope of this market inquiry covered aspects from the provision of certain key inputs to farmers and the production of fresh produce at a farmer level, to the wholesale and retail of fresh produce at fresh produce markets and formal retail stores across the country. As part of its evidence gathering process, the FPMI issued various sets of Requests for Information, held public engagement workshops with a focus on black, emerging and small-scale farmers, held public hearings, and had various engagements with the affected parties. On 18 June 2024, the FPMI issued the provisional report for public comments. Having considered all the comments received, on 13 January 2025 the FPMI published the final report with its findings and 31 recommendations and remedial actions. The FPMI's key findings, recommendations and remedial actions are summarised below.

<u>The National Fresh Produce Markets</u>

The FPMI established that National Fresh Produce Markets (NFPMs), being platforms where farmers bring their produce to be sold to potential buyers, play an important role in terms of food security, food health and safety, and local economic development. The majority of NFPMs are owned and operated by local governments who operate the markets in the public interest. The Johannesburg, Tshwane, Cape Town and Durban NFPMs are the largest markets for fresh produce and jointly account for over 80% of fresh produce sold in South Africa. The FPMI noted concerns regarding the diminishing centrality of the NFPMs as a route to market. This concern is informed by indications that the volumes of fresh produce being sold at the NFPMs have been steadily declining over the years and this is largely attributable to the lack of upkeep and investments by the local municipalities, which are the custodians of the NFPMs.

The FPMI also identified the lack of maintenance at NFPMs as another major factor that drove large-scale retailers, wholesalers and processors away from NFPMs, and to contracting directly with growers, especially large-scale growers. The NFPMs' inefficiencies in this regard include non-operational cold storage facilities, dilapidated infrastructure, hygiene and food safety concerns. The NFPMs' failure to reinvest the commission received into the market is reflective of the not-so-great state of the infrastructure, security and maintenance of some of the NFPMs. The FPMI's analysis showed that although the NFPMs generate revenue to cover their operating costs, their needs for current and future capital expenditure surpass revenue generated. This is exacerbated by local governments not ringfencing NFPMs profits, as well as a lack of prioritisation of capital expenditure.

In light of the above, the FPMI concluded that NFPMs are not operating efficiently and this impedes, restricts or distorts competition. To remedy this finding, the FPMI has recommended that municipalities should change the operating and governance models for the NFPMs, including the corporatisation of NFPM operations. It was further recommended that municipalities should ringfence profits earned from the fresh produce market to fund capital expenditure and increase budget allocations for NFPMs.

The FPMI further found that SME and HDP farmers generally lacked access to NFPMs and this was considered as a barrier to entry, participation and expansion for these farmers. To address this concern, the FPMI has recommended that municipal owned NFPMs should introduce measures to increase the annual sales of small-scale and HDP farmers through NFPMs. The FPMI also found that inconsistent bylaws worsened barriers to entry, participation and expansion for SMEs and HDPs and, to address this concern, the FPMI has recommended that municipalities should take measures to harmonise bylaws and review bylaws every five years.

<u>The Fresh Produce Market Agents</u>

The NFPMs provide a vital link between farmers, as sellers of fresh produce, and various buyers. Fresh produce market agents play a crucial role in selling fresh produce on behalf of farmers. In return, they charge a commission fee averaging 7.5%. The FPMI identified a number of practices involving fresh produce market agents that have a negative impact on price determination or discovery at NFPMs. These include practices such as stock reservation or reserve buying, after-hour trading, the extension of credit, and credit sales or credit buying. The FPMI found that these practices lead to a lack of price transparency, price discovery and price setting, and accordingly, impede, restrict or distort competition. To remedy this concern, the FPMI recommended that the Agricultural Produce Agents Council (APAC) should enhance and increase its regulatory focus to promote transparency in relation to the manner in which fresh produce market agents use their buying cards, the APAC's Credit Policy, and harmonise reserve buying and after-hours trading practices.

The FPMI further found that the composition of the APAC and the lack of adequate rotation of the fresh produce council members has the effect of excluding adequate SME and HDP representation on the Council. Accordingly, this lack of transformation in the composition of the APAC impedes, restricts or distorts competition. To remedy this concern, the FPMI has recommended that legislative and/ or policy measures should be undertaken to ensure there is rotation in the membership of the APAC and the rotations should include SME or HDP market agent/s that can represent the interests of SMEs and HDPs on the Council.

Regarding access to market by HDP market agents, the FPMI found that this group of market agents is impeded from participation in the market by not being able to obtain fresh produce from larger and established farmers because of the latter's long-standing relationships with preferred market agents. To remedy this concern, the FPMI has recommended, among other things, that municipal-owned NFPMs put in place a programme to introduce new HDP market agents, that legislative changes be made to confer the APAC with powers to regulate market agencies' HDP ownership and participation, and that large market agents be required to enter into management agreements with SME or HDP market agents for skills transfer and training on managing the fresh produce market agency business.

<u>The market structure of fresh produce agencies</u>

The FPMI observed that while there appeared to be a sizeable amount of market agents operating across various NFPMs, there are only a few with significant market shares and the largest are notably the RSA Group, the Grow Group and Subtropico. The FPMI's analysis further showed that there are exceptionally high concentration levels among market agents. For example, for essential fresh produce such as potatoes, apples, bananas, onions and tomatoes, the four largest market agents account for at least 70% of the market share in major NFPMs.

Further, the FPMI observed that African Rainbow Capital, an investment company, holds significant cross-shareholding in two of the largest market agents in South Africa, namely the RSA Group and Subtropico. The FPMI's concern with such cross-shareholdings is that they create an alignment of economic interests. In this regard, the FPMI found that African Rainbow Capital's cross-shareholding reduces the incentive of its investee firms (the RSA Group and Subtropico) to compete and, consequently, this cross-shareholding impedes, restricts or distorts competition. To address this concern, the FPMI has recommended to the Tribunal that African Rainbow Capital divests its shareholding in either Subtropico or the RSA Group, and that the buyer of the divested shares must be a firm wholly-owned or controlled by an HDP.

The retailing of fresh produce

In relation to the retail of fresh produce, the FPMI found that the majority of fresh produce are not comparable between retailers from the perspective of a consumer. This is mainly because prices are presented on a per unit basis, and these units are varied across the different supermarkets. Accordingly, the FPMI concluded that the lack of transparency in unit pricing distorts competition in that consumers are less able to compare pricing between retailers. To remedy this concern, retailers such as Pick n Pay, Woolworths, SPAR, Food Lover's Market, Shoprite Checkers and Massmart are required to display pricing on a "per 100 gram" basis at least for the 11 prioritised fresh produce products.

(ii) Online Intermediation Platforms Market Inquiry (OIPMI)

The Online Intermediation Platform Market Inquiry (OIPMI) was concluded in 2023. During the period under review, the Commission continued to monitor the implementation of the OIPMI remedial actions and recommendations, and to engage in discussions with parties that launched appeals and review applications with the view to resolve these matters. The Commission also conducted stakeholder engagements with the Department of Small Business Development (DSBD), National Empowerment Fund (NEF), Industrial Development Corporation, Public Investment Corporation (PIC) and the dtic to discuss the support for pre-revenue funding programmes for HDPs.

In August 2024, the Commission and Booking.com reached settlement in terms of which Booking.com undertook to fulfil the remedial actions arising from the OIPMI, including the removal of wide and narrow price parity terms from all contracts with accommodation providers in South Africa. A wide parity clause is a contractual clause which requires accommodation providers on Booking.com to publish or offer prices that are no higher than any other online travel intermediation platforms. A narrow price parity clause requires accommodation providers listing on Booking.com to publish or offer prices that are no higher than their own direct online channel i.e. own websites. The effect of removing these clauses is that thousands of accommodation providers in South Africa that are on Booking.com's platform (including guesthouses and hotels) will now be free to price independently without being constrained by restrictions imposed by Booking.com. This measure enhances the competitiveness of accommodation providers and allows them to innovate and develop their direct sales channels. For consumers, these developments mean that they can benefit from lower price options and the availability of different sales channels that are competitive.

During the period under review, the Commission also reached settlement with Famous Brands in terms of which Famous Brands agreed to revise its delivery platform selection criteria (used by its franchisees to appoint food delivery platforms) to comply with the OIPMI remedial actions. In the final report, the OIPMI noted that small and emerging food delivery platforms face significant barriers in the market, including difficulties with onboarding restaurant chains. The OIPMI found that some of the restaurant chains' requirements for selecting eligible food delivery platforms were exclusionary and discriminatory against smaller and emerging platforms. Moreover, the OIPMI was concerned that these selection requirements perpetuate the exclusion of HDPs from the economy as most of the marginalised platforms are owned by HDP entrepreneurs looking to provide a service to their communities. To address this concern, the OIPMI's remedial actions prohibited international and national food and restaurant chains operating in South Africa from restricting or dictating the choice of food delivery platform by their franchisees, including through setting selection requirements that are exclusionary (such as the requirement to have national presence). Though it does not agree with the findings of the OIPMI, Famous Brands has removed discriminatory and exclusionary elements from the selection requirements applied by its franchisees. As a result of these settlements, both Famous Brands and Booking.com have withdrawn their appeal and review applications against the OIPMI's findings and remedial actions. The Commission will continue to engage the remaining parties with a view to resolve the disputes that hinder the implementation of the OIPMI remedial actions.
The OIPMI final report also found that a lack of wealth accumulation by HDPs has created a barrier for HDP tech entrepreneurs to access pre-revenue funding (pre-seed and seed funding). The OIPMI therefore made recommendations to support funding for HDPs in the digital ecosystem, including that an HDP Startup Fund should be actively administered by an agency of government and funds should be mandated for HDP start-ups and allocated in support of geographic and sectoral priorities. These include allocation of government funds through the dtic and the DSBD. The OIPMI also recommended that beneficiary venture capital funds should commit to internal transformation targets and that the existing financial support programmes within the dtic and DSBD should include funding for investments in HDPs that seek an online presence and capabilities.

The Commission conducted stakeholder engagements during August to October 2024 with DSBD, NEF, Industrial Development Corporation, PIC and the dtic to discuss the support for pre-revenue funding programmes for HDPs. It also discussed the inclusion of HDP mandates in sector codes with the B-BBEE Commission, Southern Africa Venture Capital and Private Equity Association (SAVCA) and Financial Sector Transformation Council.

On 28 November 2024, the Commission hosted a workshop with the abovementioned stakeholders and including the National Planning Commission, and associations representing the youth, financial institutions and venture capitalist funds, namely the Banking Association South Africa (BASA), SAVCA and Youth Employment Service. The purpose of the workshop was to discuss finance and non-financial solutions to support historically disadvantaged entrepreneurs and businesses that seek an online presence.

The stakeholders shared their lessons learnt on funding initiatives for investment in HDP digital start-ups and discussed solutions to harness contributions by small and HDP-owned and operated businesses in the digital ecosystem. The insights included a discussion on the building blocks to support HDP startups at pre-seed and pre-revenue stage such as skills development, mentorship, market access, infrastructure, human capital resources and blended finance models.

The Commission also held briefing meetings with the Gauteng Tourism Authority and the Tourism Business Council of South Africa on 14 March 2025, to discuss the remedial actions imposed on Booking.com requesting support to bring awareness to the hotel and accommodation establishments who stand to benefit from the remedies. Booking.com's settlement with the Commission included the establishment of a support programme for SME and HDP travel establishments with funding, training, and education for three (3) years and to partner with local tourism organisation(s) on support programmes for HDP-owned accommodation providers. The Gauteng Tourism Authority and the Tourism Business Council of South Africa indicated they have channels to spread awareness of the commitments by Booking.com.

(iii) Healthcare Market Inquiry Recommendations Implementation

On 14 February 2025, after consultations with the Commission and the National Department of Health, the Minister of Trade, Industry and Competition, published an Interim Block Exemption for Tariffs Determination in the Healthcare Sector, 2025 (draft block exemption) for public comments. The draft block exemption seeks to create a multi stakeholder framework for tariff determination for healthcare services. This provides a framework for implementation of the findings and recommendations of the Healthcare Market Inquiry (HMI) and seeks to address a long-standing regulatory vacuum in tariff determination.

The draft block exemption allows healthcare stakeholders to collaborate on tariffs and related matters with the object of contributing to affordability of healthcare services, reducing costs and prevention of overutilisation of healthcare services. The draft block exemption further seeks to promote price transparency and certainty between medical scheme members, health practitioners and medical schemes, and address the issue of unexpected co-payments and out of pocket payments by consumers.

Specifically, the draft block exemption exempts the following three (3) categories of agreements or practices in respect of both prescribed and non-prescribed minimum benefits in the healthcare sector:

(a) the collective determination of healthcare services tariffs;
(b) the collective determination of standardised diagnosis, procedure, medical device, and treatment codes; and
(c) the collective determination of quality measurements/metrics, medicines formularies, and treatment protocols/guidelines.

Collective bargaining is a form of price determination that enables industry stakeholders, primarily medical schemes and health providers, to negotiate collective agreements pertaining to pricing of health services and related aspects.

The Multi Stakeholder Framework

The multi-stakeholder framework aims to introduce a transparent, structured and streamlined process for tariff determination that balances the interests of all stakeholders. It creates two (2) structures for tariffs determination:

(a) The Tariffs Governing Body, which will consist mainly of experts responsible for providing oversight in the tariff determination process; and
(b) The Multilateral Negotiating Forum, which will consist of multiple stakeholders and will serve as the primary forum for collectively determining the maximum tariffs for prescribed and non-prescribed minimum benefits for healthcare services.

It is important to note that the proposed multilateral negotiating forum excludes private hospitals. The private hospital market is highly concentrated. This is because the three largest hospital groups already possess significant market power due to their size and account for approximately 80% of the beds in the private hospital market. Moreover, their exclusion aligns with the model recommended by the HMI following its assessment of bargaining dynamics among various stakeholders. Additionally, smaller hospital groups already operate under an exemption granted by the Commission to the National Health Network to enable them to bargain collectively with healthcare funders.

The publication of the draft interim block exemption marks a critical step toward addressing the cost of access to healthcare and promoting transparency in the healthcare market thus contributing to the progressive realisation of the right to have access to healthcare services enshrined in section 27 of the Constitution. Stakeholders and interested parties were invited to submit comments to the dtic on the proposed draft block exemption by 31 March 2025.

3.2 STRATEGIC GOAL 2: ADVOCATING FOR IMPROVED COMPLIANCE AND PRO-COMPETITIVE PUBLIC POLICY OUTCOMES

Under strategic goal 2, the Commission enhances compliance with the Competition Act through education and awareness for stakeholders including the public, businesses, labour, government, and consumers. Coordinating with government and regulators is key to ensuring pro-competitive public policy, especially during policy-making. Additionally, the Commission provides thought leadership on competition and economic matters both nationally and internationally, contributing to economic discourse and policy development. The divisions responsible for this strategic goal included: Advocacy, LSD, ERB, CSD, Finance and OTC.

To accomplish this strategic goal, the Commission undertook the following actions:

L. Thought leadership

(a) Working papers

(i) Working Paper On Competitive Landscape Of Biosimilars In South Africa

Traditionally, the pharmaceutical market has been known for its production of synthetic chemical medicines generally referred to as originators and generic medicines. However, in the last decade, there has been an increasing interest in more technologically advanced and clinically effective medicines such as biologicals and biosimilars. Biologicals are referred to as the reference medicine (originator product), while biosimilars are not identical but similar to biologicals in terms of safety, quality, and effectiveness. Biologicals and biosimilars are derived from living substances such as human and animal cells, bacteria and yeast resulting in these medicines being highly optimal in treating certain complex medical conditions.

Medicines of a biological nature are gaining significant interest as they are being widely recognised for treating certain complex medical conditions due to their distinctive and complex nature, which increases the clinical value of the medicine. While biologicals are transforming the pharmaceutical market, the production process is technologically advanced and costly which results in biologicals being very expensive. To increase access to medicines of a biological nature, it is imperative that a biosimilar enters the market once the biological patent has expired to provide a more affordable alternative to biologicals.

The cost effectiveness of biosimilars may explain the high number of biosimilars in several countries. Countries with a higher number of biosimilars benefit from a broader range of approved biosimilars, which plays a pivotal role in shaping pricing strategies and enhancing patient affordability. Currently, South Africa lags behind other countries in relation to the total number of approved biosimilars, as well as the number of biosimilars per molecule. Although South Africa has fewer biosimilars, the study finds that there are still price benefits derived from the entry of biosimilars. To assess the effect of biosimilar entry on price competition in South Africa, a differential pricing analysis is conducted for the medicines in the private sector. The analysis is conducted using the SEP dataset to calculate the price difference between the biosimilar and biological and between biosimilars (where relevant). The differential pricing analysis showed that the presence of biosimilars encourages price competition between the biological and biosimilar and between biosimilars.

The study has also highlighted the positive developments in biosimilar manufacturing capacity expansion and localisation in South Africa but, there is scope for further biosimilar localisation including development and manufacturing, to ensure efficient access of biosimilars in the South African market. Scaling-up of local biosimilar manufacturing capacity in South Africa will, therefore, be important in ensuring that there is development and availability of more biosimilar medicines in the future.

Reports

(i) Essential Food Price Monitoring Report (EFPM)

The Commission has been monitoring the price of essential foods since the on-set of the Covid-19 pandemic in March 2020. As food inflation fell along with overall inflation, prices have settled at a level that is still unaffordable for many households as shown by data compiled by the Pietermaritzburg Economic Justice and Dignity Group. In 2024/25, there were several positive developments in the local economy that may restrain increases going forward such as lower fuel prices, a stronger rand, and easing of loadshedding. However, the dynamic nature of food markets also brings risks including lagged effects of droughts, crop damage from inclement weather and risks of avian flu that could potentially push prices higher.

In the September 2024 edition, the Commission found that the effects of the avian flu outbreak on egg price shad not subsided with producer and retail prices remaining above their pre-outbreak levels. This may be because of the longer egg laying cycle for hens. As such, continued monitoring is required for this product.

Sunflower oil appears to be affected by the effects of the mid-summer drought as seed prices have increased. At the retail level, prices are not adjusting as quickly as producer prices and the spread is above long-term levels. Maize meal prices increased considerably due to the lagged effects of the drought resulting in prices last seen in 2021.

Bread prices have been increasing while input costs have fallen resulting in wider spreads at the producer and retail level. Major producer of bread and maize meal notes implementing price increases or avoiding discounting are part of their strategy for these products. The price of individually quick frozen (IQF) chicken remains constrained at the retail level with fairly stable spreads continuing in the most recent data. JSE-listed producers have reported recovery in the operations following a year that had high levels of loadshedding. The Commission observed an increase in the price of canned pilchards at the retail level resulting in a wider spread. The report found signs of recovery in the financial operations of retailers. The exception is Pick n Pay, which has experienced well-documented operational challenges over and above common issues faced by the industry. The complete report can be accessed on the Commission's website at https://www.compcom.co.za/wp-content/uploads/2024/10/EFPM-Report_Sept-2024.p

In the March 2025 edition, the Commission observed that some of the prices of the foods tracked have started falling, albeit modestly. This is a positive sign that, for some foods, production costs continue to ease, and producers and retailers are starting to adjust prices accordingly. The Commission found that canned pilchard prices continue to be restrained, and the producer-to-retail spread had fallen in the last 6 (six) months of the analysis.

Egg prices were still in the recovery phase following the avian flu outbreak. However, there were signs of recovery in lower prices at the producer and retail levels of the value chain. The analysis of IQF chicken prices also showed continued price restraint with modest increases at the producer and retail level. Major players in the sector have reported operational improvements in their recent reports. Bread prices continued to show worrying signs of margin expansion as producer prices are slow to respond to lower input costs. At the retail level, prices have fallen resulting in a lower producer-to-retail spread.

Sunflower producer prices appear to have responded better to sunflower seed costs than they had historically. However, recent producer price decreases have not resulted in lower retail prices, which may be suggestive of higher retail margins. The maize meal value chain has been under immense pressure in recent months following a dry spell in February 2024. Higher white maize prices have not been fully transmitted to higher producer prices or retail prices. The complete report can be accessed on the Commission's website at https://www.compcom.co.za/wp-content/uploads/2025/03/EFPM-Report_Mar-2025_publication.pd

(b) Publications

(a) Trade And Antitrust: An End To Isolationism. By James Hodge

Antitrust and trade policy currently operate in silos. This is unhealthy as antitrust impacts on economic development and trade, the traditional focus of trade policy, while trade policy similarly influences global and domestic market structure and competition, the traditional focus of antitrust. While industrial policy may serve as an intermediary between the two sets of policies, direct engagement and coordination is optimal if issues of global and regional market power, and greater equity in industrial development, are to be addressed. This article begins by examining the existing approach of antitrust to trade, and trade to antitrust. It then explores the relationship between the two in the context of digital markets and the current World Trade Organisation (WTO) debate on the tariff moratorium on electronic transactions.

(b) Is the firm a failing one? Learnings from past cases on how to assess failure. By Ntombikayise Cebekhulu

In merger analysis involving a financially distressed entity, there are usually two basic arguments. First, the parties may argue that absent the merger, one of the parties will exit the market due to serious financial difficulties that render it unable to resume commercial activity. Secondly, the parties may hold that the proposed merger involves a weakened competitor, which despite not being a failing firm by definition, is also facing financial difficulties that will force it out of the market in the future. This is essentially the failing firm defence. The defence is often used to persuade the competition authorities to approve seemingly anti-competitive mergers, arguing that harm to competition will ensue regardless of the merger, while allowing it, will provide a preferable alternative, which is mainly maintaining commercial activity and preserving employment. The defence has been part and parcel of the South African Competition Act for the past 25 years. Its inclusion finds its influence from the international use of the doctrine and its relevance particularly in economically challenging times. Thus far, there have been several cases where the defence has been raised and even less instances where the defence has been successfully applied. There is, however, an appreciation of the manner in which the doctrine is applied within the South African context, that even though it found its influence from jurisdictions wherein it is used as an absolute defence, the South African approach interprets the doctrine as merely one of the factors of consideration in a non-exhaustive list of factors. Whilst there have been various debates regarding this doctrine and its application in South African anti-trust law, this contribution focuses on what should be a clear argument of whether the firm is truly a failing one.

(c) What's so amazing about mergers? By Jason Aproskie

This paper considers the approach through legislation and enforcement to merger control in South Africa. With 25 years of South African experience, it asks whether observed outcomes in terms of greater concentration and less competitive markets suggest that the approach to merger control is in fact more permissive than it should be, considering both these outcomes and the economic theory itself. The paper observes that litigation of mergers usually focuses on whether the merger is likely to result in a substantial prevention or lessening of competition, with almost no consideration of the positive gains that may provide a counterweight to the anti-competitive effects. Ultimately, the courts must not only decide whether a merger is bad for competition but more specifically whether it is bad enough i.e. 'substantial'. The paper suggests that this vague and/or undefined standard has resulted in an overly permissive approach to mergers and identifies possible alternative approaches that are more appropriate and effective.

(d) Using market inquiries: A sharper tool for competition authorities? By Itumeleng Lesofe and Siphosethu Tetani

The emergence of new markets, especially in the digital sector where business models are complex and innovation is constantly changing the competition landscape, has brought about new regulatory challenges for competition agencies across the world. These challenges may require a departure from the traditional tools of enforcement and the development of a somewhat new regulatory approach. In middle-income countries, the need for the adjustment of enforcement tools is further necessitated by persistent and stubbornly high levels of concentration in key sectors that have a potential to contribute to the realisation of an inclusive and growing economy. For example, in South Africa, the Commission has recorded unquestionable successes in cartel enforcement in the past two decades, with hefty fines imposed against those found to have participated in cartel conduct. However, the application of traditional tools of enforcement in abuse of dominance cases has borne little success and, as a result, key industries such as steel and agriculture remain highly concentrated. This has prompted government, through the dtic, to strengthen the powers of the Commission by, among other things, adding to its toolbox the power to conduct market inquiries. This article examines whether market inquiries are best suited, and a more effective enforcement tool used to address market concentration challenges in South Africa. The article draws from market inquiries conducted by the Commission in the banking, data and digital sectors. The article also critiques the Commission's powers to conduct market inquiries.

(e) Integrating Sustainable Development Goals into Anti-trust Mandates for Competition Policy: A Case of South Africa. By Noojehan Khaki and Ororiseng Maseng

The Sustainable Development Goals (SDGs), adopted by the United Nations in 2015, aim to eradicate poverty, protect the environment, and create global peace and prosperity by 2030. South Africa's strategy for achieving these goals involve the National Development Plan (NDP), which aligns with the focus of the SDGs to foster inclusive economic growth. The country faces significant challenges, including high unemployment, severe income inequality, and extreme poverty, compounded by climate change issues. This research paper will explore the critical role of competition policy in addressing these challenges and promoting sustainable growth. Effective competition policies contribute to economic growth by targeting anti-competitive practices and prioritising sectors crucial for economic development. The interplay between environmental degradation and social issues such as health, poverty, and inequality create a need for comprehensive policies that integrate social, economics, and environmental dimensions. Recommendations include expanding the focus of competition policy beyond mergers and cartels, imposing similar obligations on foreign firms, integrating employment considerations into antitrust policies, and developing sustainability guidelines. Incorporating sustainability into competition policies is essential for addressing South Africa's development challenges and achieving long-term economic efficiency and growth.

M. Advocacy and public awareness: includes collaboration with other entities, policy responses, initiatives to promote entry and participation of HDPs

(a) Advocacy cases completed in priority sectors in the 2024/25 financial year

(i) Advocacy with Gas Sector stakeholders

The Commission undertook several advocacy initiatives to promote competition and inclusion in South Africa's gas sector. The Commission hosted workshops to educate stakeholders about the Energy Block Exemption Regulations, which allow certain collaborative activities in the energy sector to address supply challenges. The Commission also coordinated with the Department of Mineral Resources and Energy (DMRE) to discuss fair access to gas infrastructure and to propose measures for boosting domestic gas exploration and ending long-term exclusive supply agreements. Engagements with the National Energy Regulator of South Africa (NERSA) focused on implementing recommendations to lower barriers for smaller LPG suppliers, though NERSA highlighted some regulatory constraints. Additionally, the Commission worked with the Department of Transport and the Ports Regulator to promote fair access and phase out exclusive contracts at LPG terminals, aiming to foster a more competitive and accessible market environment.

(b) Policy responses

The Commission submitted six (6) policy responses in the 2024/25 financial year.

Table 10:2024/25 Policy Responses

Policy responses	
Gas Master Plan 2024	The Commission provided its submission to contribute to the policy direction in support of the GMP, but more specifically on the promotion of market access for small gas producers and the collaborative role to be played by the Commission to promote market access for small gas suppliers.
Draft Transnet Network Statement	The Commission provided comments on Chapters 3, 4 and 5 of the Network Statement regarding vertical separation of the Transnet Rail System, access to the rail network, principles for allocating slot capacity, and tariff methodology.
Intergovernmental Fintech Open Finance Working Group Paper on 'Recommendations on institutional arrangements and regulatory approaches for Open Finance.'	The Commission provided its submission in support of a paper titled "*Recommendations on institutional arrangements and regulatory approaches in developing an open finance framework in South Africa*". The purpose of the submission was to promote the development of a competitive open finance regime, inclusive of fintech participation, and provide input on the critical components to be further considered by regulators in the OPI WG, such as a regulatory-led or market-led approach and data sharing standards.
Draft Policy for the Transfer of Commercial Fishing Rights 2024 and Draft Policy on the Allocation and Management of Rights to Operate Fish Processing Establishments 2024	The Commission provided its submission a policy response on a 'Draft Policy for the Transfer of Commercial Fishing Rights: 2024' (Draft Transfer Policy) and a 'Draft Policy on the Allocation and Management of Rights to Operate Fish Processing Establishment: 2024' (Draft FPE Policy) in support of the policies and comments on the principles and criteria to be taken into account by DFFE to reduce barriers to entry for SME and HDP-owned fishing establishments.
Draft Network Statement and Rail Access Tariff Proposal 2025/2026	The Commission submitted that high access tariffs affect competition by impeding entry and effective participation of SMEs and HDP-owned and -operated TOCs who cannot afford them. The Commission therefore proposed that it is of high importance for the TRIM to take into account the submissions of the market participants in the information gathering sessions (public hearings).
Draft Patents Bill	The Commission provided a briefing note on its recent case interventions in the pharmaceutical sector and their impact on the local industry/community for consideration in the development of the new Patents Bill.

A summary of key response/s are outlined below:

Draft Patents Bill

On 30 January 2025, the Commission engaged with representatives of the dtic, South African Mission Representation to the World Trade Organisation, the Department of Health and Companies and Intellectual Property Commission. The purpose of the engagement was to share the findings of the Commission's scoping study on a tuberculosis drug and the patent evergreening issues arising. In addition, a briefing was provided on various case interventions by the Commission in the pharmaceutical sector, which highlight strategic patenting and excessive pricing issues, and may inform the development of a new patent regime (i.e. new Patents Bill), currently being pursued by the dtic and the relevant stakeholders. The Commission also received an update on the development of the new Patents Bill.

The new Patents Bill will contain examination procedures, which will change the patent regime from a depository system to a substantive search and examination system. This will help deal with strategic patenting and should address issues arising in the Commission's investigations.

The Commission provided a briefing note on its recent case interventions in the pharmaceutical sector and their impact on the local industry/community for consideration in the development of the new Patents Bill. The cases covered included the Hazel Tau/GSK SA and Boehringer Ingelheim (ARV drugs), Johnson & Johnson (Bedaquiline TB drug) and Celgene (Revlimid Bone Marrow cancer drug) investigations. The Commission will continue to work with the NDoH and stakeholders and provide input for the finalisation of the Patents Bill.

(c) Education training, outreach & awareness initiatives conducted on the Competition Act

The Commission in the 2024/25 financial year conducted 17 (seventeen) education, training, outreach and awareness initiatives.

Educational Workshops on Public Procurement

Public procurement is a significant component of government expenditure, accounting for approximately 20–25% of the GDP. A competitive public procurement system is fundamental to realising South Africa's development goals. In a context of constrained resources and high inequality, public procurement serves not just administrative efficiency, but also broader public interest and transformation imperatives.

Competition in public procurement can result in the best value for money for the procuring public sector institution through lower prices and higher quality and innovation of the goods and services purchased and provided to the end-users of public services. Furthermore, it provides the procuring public sector institution with choice and thus bargaining power. Potential suppliers bidding against each other result in competitive prices and a larger pool of alternatives may result in increased quality and lower prices. Competition in public procurement can also result in inclusivity, through SME participation in the economy and job creation.

There are various competition issues that arise through public procurement and so the Commission plays a significant role in promoting education and awareness on competition concerns in public procurement and supporting public procurement officials in South Africa, to address some of the concerns arising from anticompetitive public procurement and provide pro-competitive options that can be used to reflect best practice.

In the 2024/25 financial year, the Commission provided educational workshops to over five hundred (500) public procurement officials in nine (9) public entities including: the Gauteng Provincial Treasury training; SENTECH; the Western Cape Education Department; the City of Cape Town; the South African Local Government Association; the South African Revenue Service; the Western Cape Provincial Treasury; Transnet SOC Ltd and the Sector Education and Training Authority.

These educational workshops are intended to help public procurement officials better understand the provisions of the Competition Act and the competition issues that may arise in public procurement. These workshops seek to empower public procurement officials with knowledge that will enable them to detect such anticompetitive conduct and report it to the Commission. The workshops also seek to encourage public procurement officials to promote competition in their procurement processes by ensuring reduced unjustified restrictions of competition in their procurement design; inclusive bid specification requirements; flexible qualification criteria; transparency and the inclusion of SMEs.

The Commission continues to play an active role in advocating for procompetitive public procurement as a tool for reshaping the South African economy and supporting South Africa's broader economic transformation objectives.

Raising Awareness to ensure Compliance with the Competition Act

Awareness and understanding of the Competition Act among businesses, and in particular SMEs, new entrants, and HDPs is essential for promoting compliance and reducing anti-competitive conduct.

In the 2024/25 financial year, the Commission conducted educational workshops for two (2) private sector associations, namely, the South African Domestic Appliances Association (SADA) and Business Unity South Africa (BUSA).

Educational workshops for businesses in the private sector are aimed at ensuring that businesses are aware of the provisions of the Competition Act to ensure that there is compliance with the Competition Act.

These educational workshops are not merely an educational exercise, but a strategic necessity for achieving a more competitive, fair, and inclusive South African economy. Empowering businesses with the knowledge they need to comply can help reduce anti-competitive conduct, promote market access, and drive a culture of compliance that supports long-term economic transformation.

Raising Awareness of the Revised Public Interest Guidelines

On 6 June 2024, the Commission hosted a workshop to discuss the revised Public Interest Guidelines under the theme "*Unpacking the Public Interest Guidelines relating to Merger Control*". This event brought together key stakeholders from various sectors including legal practitioners specialising in competition law, business associations, and financial institutions involved in mergers and acquisitions.

The revised Public Interest Guidelines, released on 20 March 2024, provide an updated framework for public interest assessments under section 12A(3) of the Competition Act. The workshop aimed to raise awareness about these new guidelines, clarify the Commission's approach to public interest considerations in merger control, and address the 2019 amendments to the Competition Act which require assessment of mergers for promoting ownership by HDPs and workers.

The workshop sought to highlight the revised Public Interest Guidelines, providing participants with a deeper understanding of their purpose and implementation. The comprehensive presentations and engaging discussions underscored the guidelines' crucial role in promoting economic transformation and inclusivity. By ensuring that mergers contribute positively to public interest goals, these guidelines help address historical inequalities and support the growth of small businesses. This approach aims to create a more equitable and competitive economy, fostering greater participation by a broader segment of the population.

Raising Awareness of the Guidelines on Collaboration on Localisation

On 26 July 2024, the Commission hosted a workshop to discuss the Guidelines on Collaboration on Localisation (Localisation Guidelines). The workshop themed "*Unpacking the Guidelines on Collaboration Between Competitors on Localisation Initiatives*" sought to raise awareness and understanding of the guidelines among stakeholders.

The Guidelines on Collaboration on Localisation were published on 18 March 2022 as part of Government's response to the country's economic crisis. The Government developed the Economic Reconstruction and Recovery Plan (Plan) that outlines interventions to be undertaken to promote inclusive growth and employment. These interventions include localisation.

Localisation is a critical policy tool in South Africa's efforts to promote industrialisation, job creation, and inclusive economic growth. However, localisation efforts, particularly those involving coordination between competing firms, raise potential competition law concerns and may amount to cartel conduct in contravention of section 4(1) of the Competition Act. The guidelines on Collaboration between Competitors on Localisation seek to clarify the scope for lawful cooperation under the Competition Act.

These guidelines play a vital role in supporting South Africa's localisation and industrial policy objectives while ensuring that such collaboration does not harm competition or consumer welfare.
The workshop provided a comprehensive explanation of the Localisation Guidelines and the exemptions application process of the Commission in order to ensure that collaboration among competitors is both effective and compliant with the Competition Act. The workshop brought together salient stakeholders which included industry representatives from various sectors consisting of legal practitioners specialising in competition law; business associations such as NAAMSA, MEMSA and RSA Cluster Group; Government, including the dtic and Council for Scientific and Industrial Research (CSIR); industry representatives; trade unions and Non-Governmental Organisations (NGOs) such as Proudly South African (Proudly SA) as well as SMEs and representatives of the business community.

Engagements with Educational Institutions

The Commission recognises the importance of fostering strong and collaborative relationships with educational institutions. These relationships serve as a foundation for knowledge generation, talent development, capacity building, and thought leadership on competition policy and economic regulation.

Raising Awareness of the Commission and the Competition Act: University of Limpopo

On 02 July 2024, the Commission participated in the dtic University of Limpopo Programme for students studying agricultural sciences and Economics. The objective of the initiative is to share information on government programmes and operations.

The platform enabled the Commission to share information on the purpose of the Competition Act and the Commission's mandate to investigate, control and evaluate restrictive business practices, abuse of dominant positions and mergers in order to achieve equity and efficiency in the South African economy. The students were taken through the functions of the Commission and the divisions that are responsible for each.

The Commission also shared information on the impact of its work in the agricultural sector and the provisions within the Competition Act that are aimed at promoting the participation of SMEs and HDPs in the agricultural sector.

The platform also gave the Commission the opportunity to engage students on the opportunities available within the Commission for those looking to pursue a career in economic regulation.

Promoting Competition Policy through Government-Led Stakeholder Engagements

The work of the Commission is inherently linked to government policy objectives, especially those relating to economic transformation, industrial development, job creation, and inclusion. Participation in intergovernmental and government-led engagements is essential for aligning competition policy with broader developmental goals and ensuring effective market regulation.

In the 2024/25 financial year, the Commission, through its Advocacy Division, participated in four (4) Government-led stakeholder engagements.

Department of Small Business Development (DSDB)

On 28 October 2024, the Commission participated in a workshop hosted by the DSDB. The workshop focussed on Market Access Support for Small Enterprises and was attended by representatives from DSDB, the Small Enterprise Finance Agency (SEFA) and Small Enterprise Development Agency (SEDA).

The Commission and the Centre for Competition, Regulation and Economic Development (CCRED) were invited to provide guidance on the following topics:

- Approaches and policy instruments for market access, including current trends.
- Strategies for conducting research related to market access, market concentration, and market intelligence tools.
- Key considerations for developing market access interventions at both the policy and program levels.

The Commission's contribution focused on the Grocery Retail Market Inquiry, highlighting key insights and recommendations on shifts in the competitive landscape and the impact on small and independent retailers.

On 14 November 2024, the Commission participated in a workshop hosted by the DSBD on the Construction Industry Value Chain. The purpose of the workshop was to outline opportunities and challenges for micro, small and medium enterprises (MSMEs), co-operatives and those operating informally within the construction sector.

The workshop brought together various stakeholders from the private and public sector with the aim of harvesting knowledge, skills and resources required to bring about inclusive and sustainable economic inclusion. The workshop also provided an opportunity for stakeholders to discuss strategies and insights critical to building an inclusive and robust construction industry.

The Commission engaged stakeholders on the previous enforcement work we had undertaken in the construction sector. Key to these was the construction cartel. The Commission also shared insights from its guide on developing pro-competitive laws and trade practices in the construction sector.

Department of Women, Youth, and Persons with Disabilities

On 11 November 2024, the Commission participated in a Stakeholder Consultation on the Implementation of the Strategy for Economic Empowerment of Women, Youth, and Persons with Disabilities (“WYPD”). Under the theme: “*Unlocking Economic Potential of WYPD through Preferential Procurement and Supplier Development*”, the workshop intended to (i) ensure alignment of departmental initiatives with the strategic goals and objectives of the WYPD economic empowerment strategy to promote mainstreaming; (ii) promote inter-departmental and cross-sectoral coordination and collaboration; (iii) advocate for inclusive economic policies and programmes that foster the economic participation of WYPD, and (iv) identify barriers for the economic empowerment of WYPD with actionable resolutions such as skills and enterprise development.

The Commission’s discussion focused on the role of competition policy in preferential procurement, highlighting the importance of effective competition regulation in preventing dominant firms from exploiting their market position to the detriment of SMEs and in implementing measures to prevent bid-rigging or collusive tendering in procurement processes.

The Commission also highlighted the importance of ensuring that procurement officials in public entities are capacitated and trained on anticompetitive practices that are prevalent in procurement processes, how to detect these anticompetitive practices and how to design bids and tenders that meet social goals while still encouraging competition.

The Commission emphasised the need for capacity-building initiatives for smaller and disadvantaged suppliers that are aimed at helping them to meet procurement standards and compete more effectively.

Department of Water and Sanitation

On 18 November 2024, the Commission participated in the Collaborative Fraud Awareness event hosted by the Department of Water and Sanitation under the theme: *"Fraud is a silent epidemic. Be aware, create a culture of integrity and REPORT!!".* The event was hosted in commemoration of the 2024 International Fraud Awareness Week.

The Commission engaged stakeholders on the competition issues that are detectable in public procurement and the type of competition concerns that are likely to arise in the procurement process. The Commission highlighted some of the "warning signs" that supply chain officials should be aware of when assessing bids as well as ways in which officials can go about setting up competitive procurement processes. The Commission also discussed practical methods for increasing competition and inclusion of bidders in procurement processes, and unpacked identifying and reporting collusive conduct with the attendees.

Promoting Competition Policy through Private Sector Led Stakeholder Engagements

While enforcement is a central pillar of the work of the Commission, engagement with the private sector is equally important for fostering a cooperative regulatory environment, enhancing compliance, and driving inclusive economic development.

Participating at private sector led engagements allows the Commission to proactively influence market behaviour, gather valuable insights, and promote a culture of voluntary compliance and fair competition.

On 6 March 2025, the Commission was invited to participate in the Annual Conduct Risk Conference. This annual conference brings together industry experts to delve into the latest trends, challenges, and solutions shaping conduct risk management, with a focus on fostering integrity and trust in today's increasingly complex regulatory landscape.

The 3rd Annual Conference focused on the regulatory landscape for compliance, covering topics such as addressing conduct risk from a regulatory standpoint; strengthening the customer complaints handling process; manging risk in digital asset markets; managing non-financial risks to build organisational resilience; and the evolution of risk culture and management.

The Commission's discussion focused on compliance with competition regulations with the aim of raising awareness amongst compliance officers and engaging them on the integration of competition regulation in institutional policies.

In particular, the Commission's discussion focused on the following topics:

- Background of competition law in South Africa, including the structure of the competition authorities, the objectives of the Competition Act and the functions of the Commission;
- Prohibited practices under the Competition Act;
- Information exchange and the Commission's approach to cases around the exchange of commercially sensitive information;
- Consequences of non-compliance; and
- The role of compliance officers in raising awareness of competition regulations within their own organisations and ensuring compliance.

(c) The Commission's collaboration with MOU partners, government entities and sector regulators

(i) Township Economies Conference and Expo

The Commission participated as a Knowledge Hub Partner at the Township Economies Conference and Expo, engaging with township entrepreneurs. The event examines support for informal market entrepreneurs, addressing their challenges and providing tools to help them succeed and grow, ultimately benefiting the overall economy. These platforms enable organisations to engage SMEs on various issues and share information on the initiatives they have put in place to support SMEs. The Commission provided details on various guidelines it has developed to assist small and medium businesses, including the Buyer Power Guidelines, Localisation Guidelines, and Block Exemptions for SMEs.

The Commission participated in a panel discussion entitled '*Opening Doors for Growth: Finding Solutions to Access Finance for Expanding Township Business Development*'. During the session, the Commission emphasised the range of economic development funds available to SMEs as a result of conditions and remedies it has implemented. Furthermore, the Commission underscored the significance of collaboration among SMEs in advancing the township economy.

(ii) Commemoration of World Consumer Rights Day (WCRD)

The Commission, together with the National Consumer Commission and provincial partners, celebrated World Consumer Rights Day through roadshows, workshops, and exhibitions focused on educating both businesses and consumers about their rights and responsibilities.

The theme for the 2025 was ‘*Empowering Consumers and Businesses - Balancing Rights with Ethical Business Practices’*.

The initiatives aimed to address business non-compliance, especially among small businesses lacking legislative knowledge. WCRD focused on topics such as product standards, pricing fairness, pyramid and ponzi schemes, and anticompetitive practices.

Events included a business breakfast and symposium, engaging stakeholders in the food value chain and academia to discuss topics like competition, food safety, and consumer protection in both physical and digital markets.

Challenges highlighted included limited access to financial and non-financial support for small farmers, lack of awareness about support programmes, and compliance costs for small businesses. The Commission emphasised the importance of advocacy, education, and collaboration among regulators, businesses, and academia to enhance consumer protection and promote fair market practices.

(d) Initiatives to promote entry and participation of HDPs

(i) 9th annual Green Youth Indaba

The Commission attended the 9th annual Green Youth Indaba, which drew over 600 attendees, including young entrepreneurs and learners from KZN and other provinces. At the event, the Commission promoted the Competition Act and support initiatives for SMMEs and youth in business, and held masterclasses on block exemptions and bid rigging for those in waste management.

The event featured pre-conference sessions, a conference, and an exhibition focused on supporting young entrepreneurs in the green economy. Workshops offered practical experience and expert advice, while panel discussions and keynote speeches addressed topics like sustainable business models, SMME entrepreneurship, and circular economy strategies.

The Commission presented to SMMEs and answered queries about the key barriers to the entry and participation of youth entrepreneurship in waste management and discussed bid rigging. The Commission joined panel sessions under the themes: ’*Sustainable Policies: Addressing Climate Change through Global Partnerships*’, ‘*Building Bridges: Collaborating for a Sustainable Tomorrow*’, and ‘*SMME Entrepreneurship in the Green Economy*’. Additionally, the Commission had an exhibition stand featuring publications on buyer power guidelines, school uniform, exchange of competitively sensitive information and updated pamphlets on what the Competition Act means for SMMEs.

(ii) Workshop under the theme "Unpacking the Block Exemption Regulations for SMMEs"

On 11 October 2024, the Commission hosted a workshop under the theme 'I'. The workshop was conducted with the strategic objective of supporting SMMEs by enhancing their awareness and understanding of the Block Exemption Regulations for SMMEs (Block Exemption Regulations). The Block Exemption Regulations were issued by the dtic on 3 June 2024. The workshop sought to contribute to the Commission's efforts in fostering a supportive environment for SMMEs and promoting regulatory compliance among stakeholders.

The hybrid workshop focused on the Block Exemption Regulations, an initiative that exempts specific collaborative agreements among SMMEs from certain sections (4(1) and 5(1)) of the Competition Act. These exemptions enable SMMEs to engage in cooperative practices that foster growth, resilience, and public interest outcomes without violating competition laws.

(iii) Study on Understanding the Entrepreneurial Landscape for Persons with Disabilities in South Africa

The Commission's vision 2030 is the attainment of a growing and inclusive economy that serves all South Africans. This includes the eradication of both poverty and unemployment by 2030 in line with the National Development Plan (NDP). The vision emphasises the need for the Commission to play a more transformative role in the economy.

Competition policy plays a pivotal role in fostering inclusive economic opportunities and supporting entrepreneurship, particularly for marginalised groups including persons with disabilities. Accordingly, the Commission conducted a study, titled: Understanding the Entrepreneurial landscape for Persons with Disabilities in South Africa. The study sought to understand the entrepreneurial landscape for persons with disabilities in South Africa and in addition, understand the entrepreneurial opportunities available for persons living with disabilities, the challenges, and the mechanisms and strategies required to support their entry and participation in the economy.

The findings of this study highlight the challenges faced by entrepreneurs with disabilities in South Africa's business landscape. While entrepreneurship presents a viable pathway for economic participation, systemic constraints such as limited access to inclusive funding options, regulatory hurdles, access to markets, inadequate business development support and inaccessible transportation and infrastructure, continue to restrict the full participation and growth of entrepreneurs with disabilities.

- The research emphasises the need for targeted interventions, particularly in improving access to information, funding, expanding mentorship and skills development programmes, and creating an enabling business environment that is both inclusive and accessible. Despite these challenges, the study also underscores opportunities for transformation. The participation of persons with disabilities in entrepreneurship has the potential to drive economic inclusivity, create sustainable livelihoods, and contribute to the broader socio-economic development goals of the country. Strengthening existing support mechanisms, such as government funding schemes, incubation hubs, and preferential procurement policies, while expanding business networking platforms and advocacy initiatives, will be crucial in fostering a more supportive entrepreneurial ecosystem. While South Africa has made strides in supporting entrepreneurs with disabilities, the study affirms that significant work remains to create an inclusive and enabling environment. Addressing systemic barriers and enhancing support mechanisms are crucial steps toward empowering persons with disabilities in the entrepreneurial landscape. Continued research, policy reforms, targeted interventions and coordinated multi-stakeholder efforts are essential to foster a more inclusive economy where persons with disabilities can thrive as entrepreneurs.

(iv) Impact Assessment, Scoping Study and Impact Study

a. Market Study: Strategies by Corporates Pharmacies, National Grocery Retailers and Property Developers to exclude Independents from Shopping Centres

The market study, prompted by complaints received by the Commission and concerns reported in the media, focuses on the retail pharmacy sector and markets adjacent to retail grocery in South Africa, where shopping malls serve as the primary venues for retail activity. Drawing on complaints, publicly available sources such as newspapers, company blogs, industry reports like Who Owns Whom (WOW), and information from the Grocery Retail Market Inquiry (GRMI), the study aims to understand the conduct of national grocery retailers, corporate pharmacies, and property developers, as well as the impact of their actions on the participation of SMEs and Historically Disadvantaged Persons HDPs in retail and pharmacy markets. Specifically, the study seeks to determine whether property leases are used by national grocery retailers, corporate pharmacies, and property developers to strategically exclude independent specialist retailers and pharmacies from shopping malls, thereby examining the likelihood and mechanisms by which such exclusion may occur.

In South Africa, shopping malls are the main avenue for retail sales as they offer a wide array of services for consumers. Access to shopping malls has been a notable point for national grocery retailers and corporate pharmacies as they embark on expansive strategic growth plans. The national grocery retailers such as Shoprite Holdings Ltd (Shoprite), Pick n Pay Stores Ltd (Pick n Pay), Woolworths Holdings (Woolworths) and Spar Group Ltd (Spar) are expanding their market presence and portfolio of products by diversifying into adjacent markets. Recent developments include entry into specialist pet food and related products, baby products, clothing, pharmacy and liquor. The corporate pharmacies such as the Clicks Group (Clicks) and Dischem Pharmacies Ltd (Dis-chem) have also been embarking on a rapid expansion strategy to increase their number of stores. These strategies mean that national grocery retailers and corporate pharmacies require either additional space in shopping malls where they are already operational or new space to enter shopping malls where they did not previously operate.

A further strategy is expansion into townships and rural areas. National grocery retailers such as Shoprite and Pick n Pay have been expanding into underserviced non-urban areas through their discount stores, USave and Boxer stores respectively. Similarly, Clicks has also been expanding its stores in low-income communities.

Considering these expansion plans, there are concerns that independent specialist retailers (e.g pet stores or liquor stores) and pharmacies may be strategically driven out of shopping malls to make way for the corporates. Property developers may tend to favour national retailers and corporate pharmacies as these stores have a strong brand equity and are considered ‘must-have’ anchor tenants required to bring in the necessary footfall to make the shopping mall profitable. This is an important consideration for property developers as they invest significant amounts of capital to develop and upgrade their shopping centres and need to recoup their investments. Furthermore, property developers tend to implement differential trading terms across tenants. Submissions from property developers in the GRMI indicated that they determine trading terms based on many factors such as size and visibility of the tenant, the expected footfall to be created by the tenant, depth of store and cost of installing tenant, amongst others. As such, it is more likely that national chain retailers and corporate pharmacies receive more favourable trading terms compared to independent pharmacies and specialist retailers.

The concern, however, is that independent specialist retailers and pharmacies are mostly SMEs and businesses owned and controlled by HDPs, and the exit of these firms from shopping malls has a negative impact on their ability to participate in the market. Based on information in the Commission’s possession, the main concerns from independent specialist retailers and pharmacies are the following:

a. early termination or non-renewal of their lease agreements in shopping centres and the exit of independents result in national grocery retailers or corporate pharmacies entering the shopping centres;
b. high rentals and additional costs as well as unfavourable trading terms which are not faced by corporates; or

c. national grocery retailers and corporate pharmacies dictate the tenant mix to property developers effectively requiring maximum occupation of the mall by national chains which then excludes or limits participation by SMEs and HDPs.

Key findings:

a. Whilst the Commission is mindful of the fact that property developers are operating a business and will seek to rent space to tenants to maximise their return, there is a real concern regarding participation by SMEs and HDPs and the development of communities in the broader economy.
b. On the grocery retail side, the Commission is of the view that there are various issues that need to be interrogated and engagements with property developers broadly is required to ensure a fair and transparent market for independent retailers. There may be a need to consider similar trading terms (in terms of rentals, location etc) for non-core product categories e.g pet food entered into by national retailers. This is likely to ensure an even playing field for all competitors. This also aligns with Government's strategy for SMEs to develop into sustainable entities that compete with the more established businesses.
c. In addition, there are also concerns raised in relation to the sale of liquor which indicates that the regulations in this industry may limit the ability of smaller, independent liquor stores to compete effectively with the national chains. The Commission is of the view that engagements with the Liquor Board may be required to address the liquor licensing issues specifically.
d. On the pharmacy side, the NdoH has indicated that they are receiving several complaints from independent pharmacies alleging that they are being "*pushed out"* of shopping malls by corporate pharmacies. The NDoH has also requested cooperation with the Commission to revise its licensing guidelines. They note that the criteria for licensing of pharmacies does not make any provision to deal with such conduct and it is also not within their mandate nor expertise. The NDoH does not interrogate the fairness of the eviction, or any matters connected therewith. The NDoH indicated that they look forward to cooperating with the Commission on these matters and work out a collaborative approach to ensure justice for the independent pharmacies operating within shopping malls.
e. With regards to the licensing issues, the Commission is of the view that engagement with NDoH is necessary to ensure an equitable distribution of licences between corporate and independent pharmacies. In addition to the licensing issues, there are also other concerns with regards to tactics to push out independent pharmacies or the charging of disparate rental rates that may require intervention by the Commission.

The Commission may consider a market inquiry as this may be the best tool to use when intervening in the retail grocery and pharmacy market. This is because the competition issues identified are broad and general, and the findings of the market study do not refer to conduct by any one firm. Rather the market study refers to potential anti competitive conduct by various firms in the market over a period of time that may have the effect of deterring or inhibiting the entry and participation of SMEs and HDPs. In the alternative, the Commission may also consider an advocacy approach to address these issues.

(e) Market Study on Franchise Businesses in South Africa

Over the last two years, business media has published several articles outlining concerns regarding the treatment of franchisees by franchisors in the South African grocery retail sector. Some of the issues dealt with in business media emanated from or led to litigation taking place in the courts. The Commission also received a complaint which outlined concerns regarding the conduct of a franchisor and the impact of its conduct on the ability of the affected franchisee to sustain itself and compete in the retailing of grocery products. Globally, concerns regarding the treatment of franchisees by franchisors have also been identified as an area of focus by, among others, the Federal Trade Commission (FTC) of the United States of America (USA).

Some of the issues raised regarding franchise agreement provisions and franchisor business practices, inter alia, include the following:

a. Lack of operational flexibility, particularly insofar as it relates to stock procurement. Franchisees indicate that the limitations on supply sources for the procurement of products is applied in a way that prevents them from sourcing from cheaper suppliers. They indicate that even in instances where they are able to procure stock cheaper from suppliers who are not part of the franchisors' approved supplier list, they are prevented from doing so.
b. Implementation of unfair trading terms by franchisors, particularly pricing and mandatory promotions, unfair franchising fees and supplier rebates, as well as the discriminatory treatment of black franchisees. In this regard, franchisees indicate that the imposition of mandatory promotional pricing strategies and unfair franchising fees by franchisors negatively impact their competitiveness and sustainability in the market.

The negative impact of these franchise agreement provisions and franchisor business practices have the potential to limit the competitiveness of franchisees, thus negatively impacting on their sustainability. This is an important consideration given the significance of franchise business operations in the South African economy, both in terms of contribution to GDP, employment creation and economic participation for HDPs.

The market study provides evidence of the issues identified in respect of franchisor business practices which have implications for competition and public interest in the South African franchise industry and the retail sector in general.

Key findings:

a. Franchising agreements are an essential component of South Africa's economic landscape, contributing significantly to GDP and providing critical job opportunities. Franchising agreements have the potential to support the type of job growth that South Africa needs —formal, low-skilled employment opportunities that are crucial for economic empowerment and poverty reduction. Further, industry reports note that 85% of franchise concepts in South Africa are home-grown and many of them have export potential. The franchise business model is found across almost all business sectors in the South African economy. However, it is most prevalent in retail and specifically the food retail industry, including fast-food and restaurants. As such, the market study has primarily focused on issues in the food retail industry.
b. By ensuring fair competition and equitable access to franchising opportunities, the franchising market can play a more robust role in driving economic growth, reducing inequality, and supporting small business development. The Commission's 2017 Franchising Notice forms part of its efforts to promote fair competition in the franchise sector in South Africa. However, it is notable that of the issues identified as potentially raising competition concerns in the Franchising Notice, only the exclusive dealing provisions appear to address some of the issues identified in this market study i.e., restrictions on the franchisees' ability to source goods from other competitively priced non-approved sources. This study highlights further potential competition issues that need addressing in order to ensure a fair and competitive market environment, over and above those highlighted in the Franchising Notice. Addressing these issues is crucial for creating a more inclusive and equitable franchise market, allowing for broader and inclusive economic participation.
c. The market study identifies potential competition issues that appear to manifest at two levels: the initial competition phase is between franchisors, competing for the sale of franchise operations and the subsequent level of competition is between franchisees and other retailers within each of the narrow retail sub-sectors. The market study primarily identifies issues that are not addressed in the Franchising Notice, with the exception of exclusive dealing.
d. At the initial phase of competition, the report finds that franchisors are able to exploit information asymmetries to the disadvantage of franchisees and that this can potentially distort competition in the downstream retail sub-sectors given that information asymmetries impact on the decision-making process of potential franchisees in entering these markets. In this regard, potential franchisees may not be fully informed of the true costs and risks associated with the franchise

operations they purchase and are thus not able to effectively compete downstream once they have entered. This area of concern is not dealt with in the Franchising Notice.

e. Once franchisees enter the market, they often find themselves in a narrower franchise brand, where restrictive and potentially exploitative practices by franchisors become more prevalent in relation to the competition between franchisees and other retailers. The key issues affecting competition at this level include bargaining power dynamics, as well as certain exploitative practices against franchisees. Common exploitative practices include mandatory purchasing agreements from franchisor-designated suppliers, unilateral contract changes, unfair trading terms and imposition of additional fees and supplier rebates. In South Africa, several cases illustrate these kinds of exploitative practices, particularly in the food retail sector. For instance, some franchisees have faced restrictive supply agreements and forced stock purchases, limiting their operational flexibility and financial stability.

f. Such practices can significantly shift costs and risks from the franchisor to the franchisee, undermining the franchisee's financial sustainability and autonomy. Internationally, similar issues are seen, such as the restrictive supply agreements and vendor kickbacks, as reported in the USA, which further restrict franchisees' ability to operate efficiently and distort competition within the franchise system. It is notable that in large part, the issues identified above in relation to the second level at which competition takes place, (i.e., the retail sub-sectors), are not addressed by the Franchising Notice, with the exception of restrictive supply arrangements which are under the exclusive dealing provisions.

g. In conclusion, the market study of franchise businesses in South Africa underscores several issues and concerns impacting franchisees. This analysis, based largely on public domain research and information, highlights ongoing financial and operational challenges faced by franchisees due to restrictive franchise terms. We note that some of the identified issues may fall within the scope of the CPA (for example, the obligations related to disclosures). However, these issues also have application to competition dynamics, and therefore implications for competition in terms of exploitative vertical practices particularly around pricing, inventory control, and exclusivity requirements. These challenges also suggest an imbalanced power dynamic favouring franchisors, even though the extent to which they may be prevalent is not yet clear.

h. Given the importance of the franchising sector, both from a competition and public interest perspective, it is important that an intervention is made to improve the operation of the sector. The Commission’s intervention could be in a form of a market inquiry. This is because the concerns identified in this market study largely relate to market features rather than isolated conduct by specific firms within a specific market. A market inquiry, by design, is the most appropriate tool for intervention to address industry-wide concerns and market failures resulting from features of a market. Market inquiries also place a lessor evidentiary burden on the Commission to prove dominance and the resulting harm, as is the requirement in conduct investigations. Initiating a market inquiry may be more effective in more efficiently addressing key issues which affect competition, while fostering ongoing dialogue between franchisors, franchisees, and regulators.

i. In the alternative, the issues identified could also be dealt with via an advocacy initiative. Such an approach could be modelled on the format used by the US FTC in its recent research on franchises. In 2023, the FTC issued an information request for the public to make submissions on the operations of franchise businesses in the USA and set out specific areas of focus in the same request. The FTC subsequently published a summary of the concerns raised in the public comments and held engagements with all relevant stakeholders. The authority also issued a policy statement for franchisors on prohibited practices.

The proposed advocacy initiative would entail issuing a statement of issues with a request for public comments, followed by further research and data analysis and ultimately issuing of a report on findings. The Commission could also integrate its findings into the Franchising Notice and update it to add more of the prohibited practices that seem to be prevalent in the franchise sector today. The initiative could facilitate improved public awareness around exploitative practices, encourage transparency, and ultimately make South Africa’s franchise sector more competitive and equitable. The research and input from various stakeholders would also help the Commission develop a more comprehensive understanding of the franchise landscape, providing a baseline of what the key issues are, as well as a pathway to discovering any other issues that have come through that are affecting competition, and a more timely resolution for franchisees' concerns. This advocacy approach aligns with broader goals of fostering more inclusive and balanced growth within the South African franchise market.

(f) Impact Assessment: The Prohibited Merger between Averda South Africa Proprietary Limited and A-Thermal Retort Technologies Proprietary Limited, A-Thermal Resources Proprietary Limited and Cecor Allied Technologies Proprietary Limited

In August 2020, the Commission prohibited the merger between Averda SA and A-Thermal in the waste management sector specifically for the treatment of hazardous healthcare waste using burn and non-burn technology. The Commission found that the merger would enable Averda SA to acquire A-Thermal's licences and technologies, particularly its thermal desorption plant and incineration facilities, thereby enhancing Averda SA’s competitive advantage in the market. This acquisition would make Averda SA the exclusive provider of thermal desorption technology in South Africa and significantly expand its capacity in hazardous waste treatment. A-Thermal argued that the merger was necessary as it faced financial difficulties.

The Commission found that the merger was likely to result in unilateral effects in the hazardous healthcare waste treatment markets, both nationally and in the inland region, due to an increase in concentration. Concerns were raised about the increased reliance on the merged entity's burn technology, especially during capacity constraints, and the potential exit of EnviroServ, a key competitor, which would further shift market dynamics. The Commission was further concerned that unilateral effects were likely post-merger based on Averda SA's price increases during the Covid-19 pandemic when competition was limited. Additionally, the merger would provide Averda SA with a unique technology portfolio, potentially foreclosing competitors and increasing their dependence on the merged entity. Averda SA's ongoing expansion, particularly through acquisitions, was also a concern.

This impact assessment has found that for the use of burn technology for hazardous healthcare waste treatment, the market has become significantly concentrated post the prohibition of the merger due to the exit of several players. This increase in concentration is both at the national and regional level. The prohibition of the merger has allowed A-Thermal to remain an independent alternative supplier of this service and as observed from its market share estimates, A-Thermal has grown and become a market leader in this market. It is evident from the above that A-Thermal has been a strong competitive constraint on Averda SA and managed to capture a significant share of the market.

Further, the Commission's conclusion at the time of the merger that A-Thermal would continue to be in operation and in fact become an effective competitor absent the merger was a correct decision. A-Thermal has not only remained operational, but it has grown substantially in the past few years.

These are some valuable lessons to be learned from this impact assessment:

- In highly concentrated markets with high barriers to entry, it is particularly important to assess mergers with a forward-looking approach as any changes in the market outside of the merger are likely to potentially change the market structure significantly. In this case, the Commission correctly took the imminent exit of EnviroServ into account when assessing the post-merger market scenario.
- It is also important to carefully consider claims by merging parties regarding financial difficulties in cases where the approval of the merger will result in anti-competitive effects. This is more so in instances where the firm claiming financial difficulties is still new in the market and new entrants generally do face some difficulty early on and are able to turn around with

time, particularly when they are in possession of technology that is likely to be growing in demand. Short-term financial constraints may be overcome without the need for an anticompetitive merger as observed by A-Thermal's growth.

Furthermore, mergers taking place in a market that is important for the entire value chain may need to be assessed with a view as to the merger's effect on the entire value chain as changes at one level of the value chain may have implications for other parts of the value chain. In this case, the Commission rightly found that the merger would not only result in competition concerns at the waste treatment level but would also negatively impact other parts of the waste management system such as transportation, collection and disposal.

Scoping Study: The After-Sales Service Market for Diagnostic Medical Imaging (DMI) Equipment In South Africa

Radiology services are an essential tool in the healthcare system as they support the diagnosis, treatment and prevention of disease. Radiology services are provided through diagnostic medical imaging (DMI) equipment such as ultrasounds and x-rays which allow healthcare practitioners to view the structures inside a body to formulate a diagnosis and determine the appropriate treatment for a patient.

Generally, the DMI equipment market is divided into two related markets. The first is the market for the manufacture and sale of new equipment (usually referred to as the primary market). The manufacturing of the equipment mostly occurs at a global level and is imported into South Africa as the country has very limited manufacturing capabilities. Since the manufacturers are foreign companies, they either establish local branches or distribution networks in South Africa to ensure the sales of their products. The market also consists of local resellers that sell some of the less expensive equipment such as x-ray machines purchased from the OEMs.

The second market is the aftersales service market (referred to as the secondary market) which entails the repair and maintenance of the equipment. The DMI equipment is comprised of an intricate and complex system consisting of sophisticated software and various parts that are interconnected to produce diagnostic images of the internal structures of a patient's body. As with any mechanical system there is likely to be wear and tear as the components degrade through the continuous use of the system. Therefore, it is imperative that the imaging equipment is serviced so it operates effectively to ensure the seamless attainment of services to the patients that require the treatment.

With regards to the aftersales service market, the NDoH has raised concerns that this market is dominated by the OEMs or distributors with limited participation from the smaller players (Independent Clinical Engineers (ICEs)). This places the NDoH in a predicament when tendering for aftersales service as they must procure the aftersales services from the OEM or distributor that sell the equipment, as there are no alternative providers in the market. This results in the NDoH incurring high costs for servicing, maintenance and repair of the DMI equipment.

Pertaining to these concerns, the scoping study assessed the competitive dynamics in the aftersales services market for DMI equipment in the public sector. In particular, the study assessed if the OEMs may be engaging in exclusionary practices that potentially restrict the entry and/or expansion of ICEs in the aftersales service market for DMI equipment. Further, the study considered if other countries are also experiencing competition concerns in the aftersales service market for DMI equipment and if so, the measures that have been implemented to increase access to the market for the independent players.

The findings from the study revealed that the DMI equipment is a significant investment typically costing millions of rands, and the service contract is also a substantial expenditure (usually equates to 10% of the value of the equipment) which provides a lucrative revenue stream for OEMs. In this regard, the NDoH has raised concerns that the OEMs are engaging in restrictive practices to control the market and exclude the ICEs. These restrictive practices include the following:

- The ICEs are restricted from sourcing OEM branded replacement parts. The OEM maintains significant control over the production and distribution of original equipment spare parts. Without access to the replacement parts the ICEs cannot service this equipment and as such the NDoH is reliant on the OEMs for the supply of critical parts;
- The OEMs restrict the ICEs from accessing the service key and technical service information. The NDoH is concerned that only the OEMs have access to the service key (required to access the system software and hardware) which may be a strategy to restrict the ICEs from participating in the market. Further, the technical information for the equipment is only within the domain of the OEMs; and
- The OEMs do not provide the ICEs with the necessary training to service the machine. The NDoH is concerned that the OEMs do not provide training to the ICEs which limits their participation in the market. Currently, the clinical engineers employed by the OEMs or distributors typically service the equipment and may have limited local representation.

The above-mentioned elements are required by the ICEs to participate in the after-sales service market. As such, the conduct of the OEMs is concerning as it may potentially impede the effective participation of ICEs in the aftersales market for DMI equipment. This may adversely affect key competitive parameters such as pricing and access to alternative providers. The NDoH indicated that if there were alternative service providers they would tender separately for the purchase of new equipment and servicing. Therefore, it is imperative that the aftersales service market is accessible and affordable. Aside from the competitive benefits, small businesses also play an important role in the economy as they are important contributors to employment and growth in the country.

The scoping study also found that these concerns are not unique to South Africa and have been experienced across different countries such as India, Turkey, and Russia, amongst others. These countries have also raised concerns relating to the OEMs restricting access to replacement parts and service keys which inhibits the entry of independent players in the market. To improve competition in the market, these jurisdictions have implemented measures to increase the participation of the independents, recognising the importance of a competitive market.

(g) South African Transformation Landscape (2013-2023)

The Broad-Based Black Economic Empowerment Commission (B-BBEE Commission) in collaboration with the Commission, the South African National Accreditation System (SANAS) and the Department of Trade, Industry and Competition (the dtic) has conducted research to assess the trends on transformation and economic participation in the South African economy. This longitudinal research which is an output of the B-BBEE Commission has been led by the Commission.

The research is motivated by the fact that very limited comprehensive studies have been conducted on transformation in South Africa, particularly covering a longitudinal period (i.e., a ten-year period). As such, the research sought to provide a detailed analysis on B-BBEE transformation in South Africa based on data received from the verification agencies accredited by SANAS[1]. [1]

The report conducted macro and sectoral analysis to derive valuable insights into compliance status and trends in the economy, which will ultimately serve as the evidentiary basis for policymakers, regulators and industry on the status of transformation. The preliminary research findings are set out below.

Preliminary research observations

[1] [1] SANAS is the accreditation authority of verification agencies across the country. The role of verification agencies is to assess, verify and validate disclosed and undisclosed B-BBEE related information on measured entities.

At a macro level, findings from the research indicate that the B-BBEE compliance landscape is dynamic and fluid in terms of B-BBEE compliance levels and average scores. The research study found an increasing share of verified entities over time, showing a positive sign that more entities are being assessed for compliance with B-BBEE objectives. However, the research notes that this trend in compliance has been coupled with a concerning trend of an increase in non-compliance for the period under review. The performance in B-BBEE compliance by categories of entities further reveals challenges encountered by a sizeable number of Qualifying Small Enterprises (QSEs) and large entities in meeting B-BBEE requirements.

Compliance with the B-BBEE Act at a macro level, also seems to be skewed towards enterprise supplier development, ownership and skills development, as most entities achieve the highest average scores compared to other B-BBEE elements such as management control which is critical for the country's transformation initiatives. The patterns of representation of blacks at the macro level also indicate greater participation by blacks at middle and lower levels of management, with black females being underrepresented.

At a sectorial level, the research reveals a complex landscape of progress and stagnation across various sectors. These observations at a sectorial level are aligned with those noted at a macro level.

The research uncovered greater levels of B-BBEE compliance in sectors such as transport and Marketing, Advertising and Communication (MAC), whilst entities in sectors including forestry, construction and tourism, the research observes promising trends of B-BBEE compliance, even though, much can still be done to improve compliance outcomes. On the contrary, sectors comprising Agri-BEE, financial services, generic, ICT and property are found to encounter B-BBEE compliance challenges.

Ownership patterns by sector reflect contrasting trends where some sectors such as construction and transport recorded the highest black ownership percentages, whilst performance by other sectors has remained subdued. The representation of black individuals at boards and senior management leadership by sector shows patterns where moments of progress are often overshadowed by periods of stagnation. This is particularly the case across all sectors considered for this research study. The picture worsens as one considers representation of black females across higher levels of management.

Based on the preliminary findings above, it is evident that tailored strategies are required to effectively address the increasing proportion of non-compliant entities, where ongoing incentives are crucial for such entities to achieve and maintain compliance. The B-BBEE compliance performance by sectors also emphasises the need to provide support for sectors to not only become compliant but also to strive for higher levels of B-BBEE status levels. Moreover, the research highlights that a renewed commitment from both government and private sectors is essential for improving black economic participation at the senior leadership levels by prioritising management control as one of the critical B-BBEE elements in attaining the country's transformation objectives. More can also be done to uplift black female participation at management control level.

(h) Impact study on selected Agriculture Development Funds

The Commission conducted an impact study on a selection of development funds created by the Commission through conditions it imposed when performing merger reviews between 2015 and 2020.[2][2] Four development funds were assessed, and these were established in the following mergers, namely: Mondi's Zimele Development Fund, AB-InBev Development Fund, Pepsico's Kgodiso Development Fund and Coca-Cola's Mintirho Development Fund. The study found that these funds have disbursed a total of R1.3 billion to 1009 beneficiaries. 7 797 jobs were created by beneficiaries. Support was given to 331 SMEs and 210 young people.

Table 11: Summary of performance outcomes from the four development funds

Item	AB- InBev Fund	Mondi Fund	Pepsico Fund	Coca Cola Fund	Total
Disbursed amounts as of 2023	R621 million	R176 million	R114 million	R343.2 million	R1.3 billion

Source: Merger monitoring reports submitted to the Commission and interviews with beneficiaries

The impact study found that the development funds had a positive effect on employment. Participating farmers increased employment levels with 915 jobs which is attributed to interventions by the development funds. Moreover, the study found that employment levels were likely to be sustainable in the long-run and were not short-lived. To this end, farmers indicated that they are likely to increase employment levels in the farms even beyond the development fund support, due to an increase in supply capacity and the need to expand their businesses. Therefore, the study found that development funds are an effective tool to unlock supply constraints for farmers.

[2] [2] The Study is accessible at compcom.co.za/wp-content/uploads/2024/12/Agric-impact-study-December-2024-1.pdf.

The study also found that the development funds had an effect on most economic indicators for farmers. For beneficiaries that received some financial support, most reported an increase in revenue and output. Most beneficiaries who received agricultural training reported an improvement in productivity and their investment in infrastructure. The study found that the support from the development funds had a significant impact on the supply capacity of farmers and enabled farmers to spend more on infrastructure, produce more output and make more profits.

Overall, the study revealed that development funds are an effective tool in addressing supply-side constraints in the agricultural sector. The development funds enabled farmers to invest in infrastructure that generates future returns. Once their supply capacity was improved after the intervention of the development funds, they were able to increase production, output, and profitability.

The study highlighted lessons for the creation of merger conditions establishing agriculture development funds. Development funders should strike a balance between the disbursement of interest-free loans and grants. The study revealed that farmers require more grants. Merger conditions can establish a ratio on the type of funding required by the beneficiaries. Furthermore, there should be guidance to the funders on the reporting requirements on the disbursement of interest-free loans to ensure impact.

Development funds have a role to play in enabling access to markets, including access to agro-processing and export markets, as well as access to key inputs and infrastructure (such as seeds, tractors, other farming equipment and irrigation systems) and operational needs (employment). Development fund merger conditions can establish requirements or ratios for the fund allocation towards these critical needs and priorities. Development funds have a role to play in increasing the entry and participation of women and the youth in the agricultural sector. Development fund merger conditions can establish requirements or percentages for the fund allocation towards these groups, particularly in rural areas.

Development funds have a role to play for increasing farmers' access to training and skills development. Guidance however is required on the training and skills development needs of the beneficiaries that can be provided in merger conditions, and in the reporting requirements of funders to ensure impact. The creation of development funds through merger conditions should not result in exclusive supply agreements between beneficiaries and merged entities. This should be monitored by the Commission through its reporting framework. The implementation of a farmer-centric approach is likely to increase the effectiveness of Agriculture Development Funds in the future.

N. Guidelines

(a) Final Guidelines for Competition in the South African Automotive Industry published by the Commission

The Commission issued final Guidelines for Competition in the South African Automotive Aftermarket in terms of section 79(1) of the Competition Act, which allows the Commission to prepare guidelines to indicate its policy approach on any matter falling within its jurisdiction. The Guidelines can be accessed from https://www.compcom.co.za/automotive/.

The purpose of the Guidelines is to encourage OEMs Approved Dealers and Insurers to remove the restrictions they place on vehicle owners when they choose service providers to maintain and repair their vehicles. Adherence to the Guidelines will expand entry and participation in the aftersales value chain by small and medium enterprises and firms owned by HDPs.

The publication of the final Guidelines followed a public consultation process. The Commission previously invited public comments on proposed amendments to the Guideline provisions and engaged with key sector stakeholders on the amendments, including the African Panel Beaters Motor Mechanics Association, Right 2 Repair, Automotive Business Council (NAAMSA), National Automobile Dealer's Association, and the National Consumer Commission, among others.

The amendments to the Guidelines include inter alia an expanded definition of "Extended Warranties" to include those offered by OEMs and Insurers, and an expanded definition of "Spare Parts" to include accessories and to provide a non-exhaustive list of accessories. The amendments indicate the need for a consideration of various factors when OEMs and Insurers on-board motor-body repairers, including the volume of work in a designated geographic area, and a preference for on-boarding HDPs, among other factors. The amendments also clarify that the provisions for the unbundled sale of motor vehicles with value added products applies to new, demo and/or second-hand vehicles at the point of sale.

(b) Guidelines on Indivisible Transactions

On 4 October 2024, the Commission had published Guidelines, in terms of section 79(2) of the Competition Act, on indivisible transactions. The Guidelines were aimed at providing merging parties and the public with guidance on the key factors that the Commission considered when assessing whether a merger was indivisible. Indivisible mergers had impacted the Commission's merger filings, as merging parties (where there was a finding that a merger was indivisible) prepared only one merger filing for a transaction, even when one of the legs was implemented at a later date. The determination of whether a subsequent leg or subsequent transaction(s) should have been filed separately or not formed an important part of the Commission's merger assessments. These Guidelines were not exhaustive of all the factors that the Commission had taken into account in determining whether multiple transactions were indivisible. The Guidelines did not prevent the Commission from exercising its discretion, on a case-by-case basis, on whether multiple transactions should have been notified and assessed under a single merger filing. While the Guidelines are not binding to the Commission, the Tribunal, or courts, any person interpreting or applying section 12(2) of the Competition Act should take them into account.

(c) Price-Cost Margin Computation Guidelines

Section 8(1)(a) of the Competition Act prohibits a dominant firm from charging excessive prices to the detriment of consumers or customers. In assessing whether a price is excessive, section 8(3)(a) instructs the Commission to determine whether that price is higher than a competitive price and whether such difference is reasonable by taking into account all relevant factors which may include the respondent's price-cost margin, internal rate of return, return on capital invested or profit history. These guidelines relate to the computation of the price-cost margin test.

These guidelines seek to provide guidance by outlining how the Commission intends to undertake the calculations for the price-cost test. The guidelines outline the Commission's approach to carrying out the price-cost test. The guidelines set out the Commission's view as follows:

- Operational costs. This includes principles around cost classification, cost allocation and transfer pricing.
- Capital employed. This focuses on the valuation methods for tangible assets and the treatment of leased assets. This also addresses the treatment of intangible assets, research and development costs as well as the working capital.
- Reasonable rate of return on capital employed. This focus on the calculation of a reasonable rate of return, taking into account the inclusion of additional risk premiums and weights attached to each source of capital.

O. International engagement

The Commission has consistently played a significant role in the international and regional competition landscape, through thought leadership and participation in various forums including its leadership in the African Competition Forum (ACF), participation and contribution to the Brazil, Russia, India, China, and South Africa (BRICS) Competition Law and Policy Centre, International Competition Network (ICN) and the Organisation for Economic Co-operation and Development (OECD).

The Commission's role in the international competition community includes but is not limited to training and employee exchange programme with various local and international competition authorities, submission of inputs into policy, guidelines and competition law and economics publications.

The Commission has over time made a significant contribution to the ACF, importantly, the Commissioner is serving as the Chairperson of the ACF for the second term. ACF is a network of African and multinational competition authorities established in 2011, with the main objective of promoting the adoption of competition policy in the national and regional economic policies of African countries.

The Commission has also played an important role in the establishment and continued development of the African Continental Free Trade Area (AfCFTA) Competition Protocol that aims to enhance competition within the AfCFTA, promoting improved market efficiency, inclusive growth, and the structural transformation of African economies.

The Commission, through its international relations function, continues to make significant strides in advancing its strategic objectives. The primary mission of the international relations unit is to strengthen bilateral and multilateral relations, with a particular emphasis on partnerships with BRICS nations, African countries, and the broader international community. These efforts foster collaboration and promote an environment conducive to fair and competitive markets on a global scale.

Key Highlights - Regional Activities

- **Capacity Building and Training:** The Commission hosted and led extensive training and study tours for various African competition authorities, including those from Tanzania, Namibia, and the Seychelles. These capacity building initiatives were focused on general competition regulation, market inquiries, and cross-border cartel investigations. The Commission's capacity building and training initiatives were mostly undertaken in collaboration with the USA's Federal Trade Commission (FTC) and the United States Department of Justice (DOJ).
- **ACF:** The Commission was involved with the ACF working group, focusing on trade flow patterns and regional value chains in agriculture and agro-processing. The Commission completed research on food value chains and digital markets and led studies on AfCFTA merger notification thresholds. South Africa notably co-chaired the ACF Cartel Working Group and the AfCFTA Committee.

ACF Digital Platforms Landscape Study

In November 2023, the African Competition Forum (ACF) commissioned a research study to assess the state of digital platforms' operations on the African continent. The study was led by three (3) competition authorities, the Competition Commission of South Africa, Competition and Consumer Authority Botswana and the Competition Commission of Mauritius. The study sought to:

a. identify key emerging digital markets and the firms within those markets on the continent,
b. obtain an understanding of the type of competition concerns that exist regarding online platforms' markets in the different ACF member states, and
c. identify opportunities for collaborative enforcement and capacity building between the ACF members, amongst other objectives.

The ACF issued a survey to its member states and received responses from fifteen (15) countries. The report provides an assessment of the survey results and measures the progress made by the continent towards digital adoption.

The study found that digital adoption is still significantly low in Africa, although it has been rapidly growing over the recent years. The continent has the potential to benefit the most from the digital era, given its young and fast-growing populations. However, there are factors that hinder digital adoption in most countries, including significantly high internet costs and lack of telecommunications infrastructure, amongst other factors. Furthermore, the study found that most of ACF members have not conducted any research nor prosecuted any cases on digital markets in their respective economies. As a result there is limited data and information on the landscape, key players and business models of the digital platforms in their respective economies.

The study further notes that in most platform categories there is at least one local platform in each of the participating countries. International platforms tend to dominate where there is a global dimension, such as software app stores and travel & accommodation, but local platforms have done well where the customer base is mostly local (classifieds), or which require investments in last mile infrastructure (e-commerce and delivery). The international platforms also tend to operate the same business models, with some features that have been identified to distort competition by different authorities globally.

The study recommends that the ACF members intensify their efforts, to play their role in the shaping and development of the digital markets in their respective jurisdictions.

- **AfCFTA Protocol Development:** The Commission actively participated in and made significant submissions to the 8th and 9th AfCFTA Meetings of the Committee on Competition Policy, meticulously reviewing and strengthening draft regulations for the AfCFTA Protocol on Competition Policy.
- **Regional Engagement and Collaboration:** The Commission played a significant role at the Namibian Competition Commission's 15-year conference and participated in the 9th Annual Competition and Economic Regulation (ACER) week in Kenya. During these events, the Commission presented papers on strategic patenting, biosimilars, and competition policy in Africa.
- **Regional Agreements:** A Memorandum of Understanding (MoU) was signed with Angola to enhance technical cooperation and information sharing.
- **Knowledge Sharing and Monitoring:** A robust system was developed for quarterly updates to the African Agrifood Anti-Monopoly tracker, a vital tool to monitor competition within this critical sector.

Key Highlights - Global Activities

- **Multilateral Influence:** The Commission proactively contributed to international economic discussions and helped shape global competition policies through active participation in the United Nations Conference on Trade and Development (UNCTAD) Intergovernmental Group of Experts (IGE) meetings. Our submissions focused on poverty reduction, mergers, digital markets, and global food market dynamics.
- **BRICS Cooperation:** Engagement with BRICS Antimonopoly Coordination, attending virtual meetings, providing inputs on competition issues in the renewable energy sector, and participating in the BRICS Working Group on Competition Research in Food Markets, with a particular focus on global grain value chains.
- **International Competition Network (ICN) Contributions:** The Commission was involved in various ICN workstreams, including submitting comments on the intersection project paper, actively participating in the ICN annual conference, contributing to the ICN food project, and submitting surveys on the renewable sector. We expressed interest in joining the ICN Steering Committee and participated in workshops on unilateral conduct and cartel enforcement.
- **OECD Engagement:** The Commission made written submissions to the OECD on food value chains and participated in a panel discussion on "Competition and Inequality," emphasising the crucial role of competition law in mitigating societal disparities.
- **Digital Market Thought Leadership:** Significant contribution to the analytical presence in digital market regulation through submissions on theories of harm for the Unilateral Conduct Working Group (UCWG) questionnaire. We actively participated in conferences like the Academic Society for Competition Law (ASCOLA) and the Competition and Regulation

European Summer School and Conference (CRESSE), sharing uniquely South African perspectives on digital economy enforcement and the impact of local market inquiries such as the OIPMI) and the MDPMI on economic inclusion, SMEs, and HDPs. We also engaged in discussions on global technology regulations at the GITEX Conference.

- **Broader Global Partnerships:** A bilateral meeting with the Eurasian Economic Commission (EEC), the Commission participated in the Chatham House conference on antitrust enforcement, and presented at the Rio International Workshop on Advances in Competition Policy Analysis covering regional cooperation in cross-border cartels. We also authored an article for Concurrences, reflecting on South Africa's 25 years of competition regulation. The Commission participated in a World Bank conference, presenting on the Commission's vital role in promoting inclusive development through market inquiries, and attended the BRICS Working Group on Competition Issues in Pharmaceutical Markets, focusing on access to biosimilars and public procurement collusion.

These diverse regional and international engagements are paramount to the Commission’s mission, enabling us to learn from global best practices, contribute to international discourse, and advocate for fair and competitive markets that foster inclusive economic growth worldwide.

3.3 STRATEGIC GOAL 3: A PEOPLE-CENTRIC AND HIGH-PERFORMANCE ORGANISATION

Through this strategic goal, the Commission fosters an efficient organisation where people, processes, and systems work together seamlessly. It provides Human Capital, ICT, Facilities, and Security solutions to support staff well-being and enhance performance in a dynamic work environment. Divisions responsible for this strategic goal include: Finance, Office of the Commissioner, LSD and CSD.

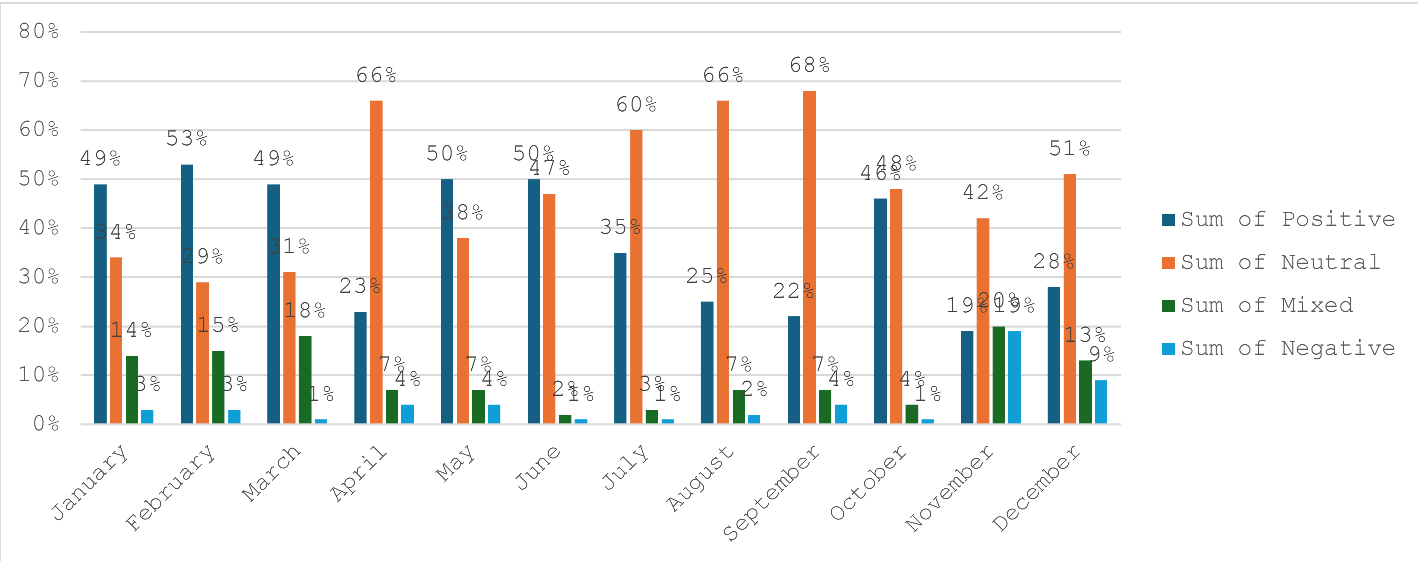
P. Communicating the work of the Commission

(a) Commission-initiated media engagements

The media is an important ally and channel for communicating with a wide range of stakeholders, including the public, policymakers, and industry associations. The work of media liaison also helps to establish and maintain symbiotic relationships with journalists and their outlets and provide them with timely and accurate information about the Commission’s activities and decisions.

During the period under review, the Commission, through its Media Relations unit, pursued strategic media engagement that focused on creating consistent two-way engagement with media practitioners, adding value and enriching the reporting about the Commission through initiatives such as exclusive interviews, media roundtables, and weekly columns. In addition, the Commission issued more than 32 media statements or advisories covering the scope of the Commission's work, published over 35 columns, issued at least 44 statements on merger decisions and screening cases, and participated in no less than 132 interviews. The Commission's efforts resulted in extensive media coverage and 6918 mentions in media products including online news articles and mentions in broadcast media. This has and continues to place the Commission as a notable newsmaker in the public discourse on socio-economic affairs.

Each media mention is analysed to determine its impact on the Commission's reputation. The impact can be neutral (no impact in line with the neutral role of media in the country), positive, negative or mixed. Called favourability ratings, the Media Relations Unit's strategy is to increase its neutral and positive mentions. The table below provides a breakdown of the favourability ratings for each month of the 2024/25 financial year. For the entire financial year, the Commission's media mentions had a combined average of 85% positive or neutral media mentions, 9% of the year's media mentions were mixed, and 4% of all media mentions were identified to have a negative favourability.



The Advertising Value Equivalent (AVE) of the Commission's media coverage is reflected below. The figures reflect the monetary value of the space and airtime enjoyed in the media. The coverage also translates into quantifiable commercial worth, called advertising value equivalent (AVE) which cumulatively amounts to over R366 321 189. This coverage comprises an AVE value of at least R141 249 290 for print media coverage; an AVE value of at least R74 436 186 for broadcast coverage; an AVE value for global web tracking of over R43 619 194, and at least R150 634 713 for online media coverage. This value is calculated by taking the inches, in the case of written word-based platforms, or seconds in the case of broadcast media, and multiplying these figures by the respective platform's advertising rates. The resulting number is the equivalent of what you would have paid if you placed an advertisement, please find the table below.

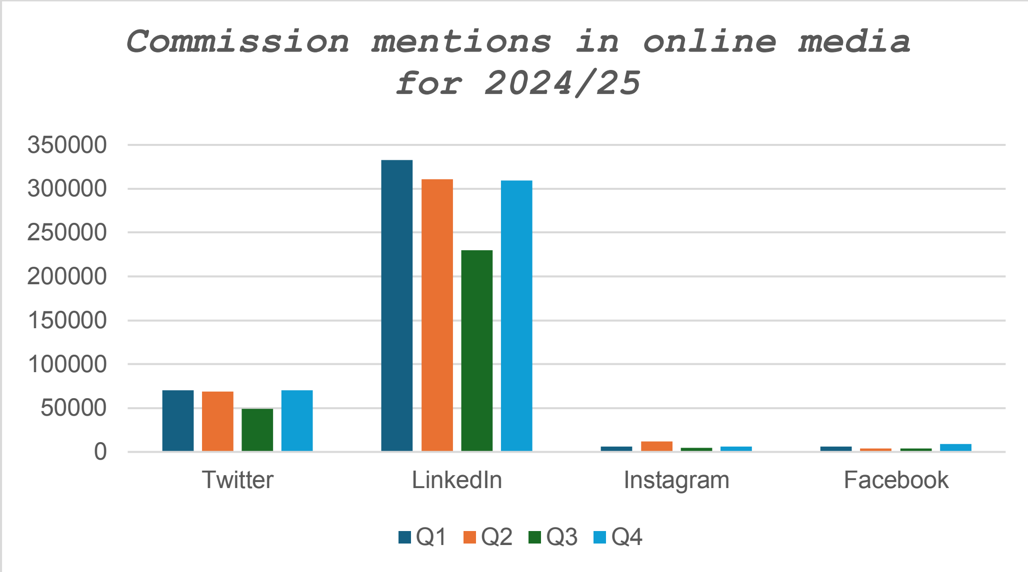
Table 12: Advertising Value Equivalency (AVE) by Coverage

Coverage	Q1	Q2	Q3	Q4
Print	R40 702 801	R27 291 758	R44 963 240	R 28 291 491
Broadcasting	R17 378 218	R10 495 394	R19 912 481	R 26 651 093
Online	R28 461 243	R42 865 926	R38 916 502	R 40 391 042
Total	**R86 542 262**	**R80 653 078**	**R103 792 223**	**R 95 333 626**

Below is a list of the Commission's social media platforms, and the number of followers or subscribers as of 31 March 2025. Non-subscribers frequently view and participate in the Commission's online events as well. The table below provides the Commission's social media footprint:

Table 13: Commission mentions in online media for 2024/25

Type of media	Q1	Q2	Q3	Q4
Twitter	**70148**	**68773**	**48909**	**70271**
LinkedIn	**332700**	**311004**	**229601**	**309285**
Instagram	**5910**	**11812**	**4995**	**6364**
Facebook	**6094**	**3783**	**4203**	**8889**


Commission mentions in online media for 2024/25
350000
300000
250000
200000
150000
100000
50000
0
Twitter
LinkedIn
Instagram
Facebook
Q1
Q2
Q3
Q4

3.4 Outcomes, Outputs, Output Indicators, Targets and Actual Achievement

This section presents an overview of the outcomes, outputs, output indicators, targets, and actual achievements for the reporting period. The table below reports against the re-tabled Annual Performance Plan

Table 14: Outcomes, outputs, Output Indicators, Targets and Actual Achievement

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
1. Efficient and effective merger regulation & enforcement	a) Mergers and Acquisitions decisions.	1	Average turnaround time for Phase 1 merger investigations.	16 days	12 days	≤ 20 days	Target met 14 days	N/A	N/A target met.
		2	Average turnaround time for Phase 2 merger investigations.	41 days	41 days	≤ 45 days	Target met 35 days	N/A	N/A target met.
		2	Average turnaround time for Phase 3 intermediate and small merger investigations.	58 days	56 days	≤ 60 days	Target met 51 days	N/A	N/A target met.
		3	Average turnaround time for 90% of Phase 3 large merger investigations.	90 days	99 days	≤ 120 days	Target met 76 days	N/A	N/A target met.

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
	a) Compliance monitoring for merger conditions.	4	No. of quarterly compliance monitoring reports on competition and public interest conditions imposed by the Commission.	N/A	4	4	Target met 4	N/A	N/A target met.
2. Competitive, Contestable and Deconcentrated Markets **+** **3. Improved public interest**	b) Investigation of abuse of dominance and restrictive vertical practices	5	No. of abuse of dominance and restrictive vertical practices cases initiated in prioritised sectors in line with amendments of the Competition Act.	17	12	3	Target exceeded. 7	4 more abuse of dominance and restrictive vertical practices cases were initiated in prioritised sectors in line with amendments of the Competition Act.	The Commission initiated more complaints than planned due to information from respondents indicating potential misconduct and the results of a scoping study conducted from the Commission.
		6	% of market conduct investigations completed within 18 months.	97.4%	96.44%	≥70%	Target met 93%	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
outcomes	c) Exemption application decisions	7	% of exemption applications completed within 12 months.	N/A	N/A	100%	Target not met 50%	Target was missed 50% due to some complex exemptions.	The Commission had more extensive stakeholder engagement than anticipated resulting in delays in completion
	d)	8	% of block exemption applications completed within 30 days.	N/A	N/A	100%	Target met 100%	N/A	N/A
	e) Market Inquiries	9	No. of market inquiries initiated.	~~N/A~~	2	~~2~~ [3]1	Target met 1	N/A	N/A
		10	No. of market inquiries completed.	N/A	1	1	Target met 1	N/A	N/A
	f) Advocacy work of the implementation	11	No. of monitoring reports on the outcomes of the implementation of Market Inquiry	N/A	2	2	Target met 2	N/A	N/A

[3] Annual target is reduced from 2 to 1 as the Commission has reinstated KPIs on % of market conduct cases won at the Tribunal and courts in relation to abuse of dominance, restrictive vertical practices and exemption litigation (KPI 17& 18)

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
	on market inquiries recommendations		Recommendations.						
	g) Cartel investigations.	12	No. of cartel investigations completed including high impact cartel investigations.	28	28	22	Target exceeded 62	The target was exceeded by 40	The Commission expedited the completion of cartel investigations and resolved an automotive components case, along with a complaint lodged by Eskom, which collectively led to the conclusion of multiple cases.
	h) Cartel prosecutions.	13	% of cartel cases won at the Tribunal.	100%	91.8%	≥80%	Target met 100%	N/A	N/A
		14	% of cartel cases won at the courts.	0%	0%	≥80%	Target not met 0%	Target was missed by 80%	The Commission lost the SGB Cape case because the Competition Appeal Court (CAC) ruled that the respondents are not

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
									competitors and therefore cannot collude in terms of section 4(1)(b) of the Competition Act.
	i) Prosecution of Abuse of dominance and restrictive practices	15	% of market conduct cases won at the Tribunal in relation to abuse of dominance, restrictive vertical practices and exemption litigation.	100%	100%	≥75%	Target met 100%	N/A	N/A
		16	% of market conduct cases won at the courts in relation to abuse of dominance, restrictive vertical practices and exemption litigation.	N/A	100%	≥75%	Target not applicable.	75%	The target was not applicable as there were no decisions were issued in the period under review.

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
	j) Merger litigation.	17	% of merger decisions upheld by the Tribunal.	100%	100%	≥80%	Target met 100%	N/A	N/A
		18	% of merger decisions upheld by the courts.	100%	N/A	≥80%	Target not met 0%	80%	Constitutional Court of South Africa (Con-Court) decision was not in favour of Commission in the Coca Cola matter. The Con-Court, relying on MediClinic, criticised the CAC for interfering impermissibly with the Competition Tribunal's (the Tribunal) findings, reemphasising the general rule that an appellate court will not lightly interfere with the factual findings of a court of first instance.
	k) Interlocutory litigation.	19	% of interlocutory decisions upheld by the Tribunal.	100%	100%	≥70%	Target met 100%	N/A	N/A
		20	% of interlocutory	50%	50%	≥70%	Target met 100%	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
			decisions upheld by the courts.						
STRATEGIC GOAL 2: ADVOCATING FOR IMPROVED COMPLIANCE AND PRO-COMPETITIVE PUBLIC POLICY OUTCOMES									
4. Improved compliance & awareness	a) Domestic outreach initiatives.	21	No. of outreach, awareness, public education and training initiatives conducted to improve compliance with the Competition Act, the quality and quantity of complains and initiations of the Commission.	13	19	16	Target exceeded 28	12 more outreach, awareness, public education and training initiatives were conducted to improve compliance with the Competition Act, the quality and quantity of complains and initiations of the Commission.	The Commission received more invites for training than planned.
	b) External Guidelines on the application of the Comp	22	No. of Guidelines on the application of the Competition Act to create greater certainty on the enforcement of the Act.	2	4	2	Target met 2	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
	etition Act.								
	c) Advisory Opinions.	23	% of advisory opinions issued within 60 days.	N/A	N/A	≥90%	Target met 100%	N/A	N/A
5. Improved understanding of market dynamics in priority sectors	a) Industry Scoping Studies	24	No. of market studies conducted in prioritised sectors to identify competition issues.			2	Target met 2	N/A	N/A
	b) Impact assessments on Commission decisions or competition policy.	25	No. of impact assessment studies to improve decision making.	1	1	1	Target met 1	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
	c) Enforcement research on priority industrial sectors and support infrastructure.	26	No. of research reports on enforcement in priority areas for initiation of complaints.	N/A	2	2	Target met 2	N/A	N/A
	d) Advocacy in priority sectors.	27	No. of advocacy cases completed in priority sectors and prioritising reduced cost of living and promotion of participation of SMEs and firms owned by HDPs.	4	4	4	Target exceeded 5	I more advocacy case was completed in priority sectors and prioritising reduced cost of living and promotion of participation of SMEs and firms owned by HDPs.	There Commission had to engage with an additional stakeholder in the milk industry to complete the stakeholder engagements.

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
		28	No. of advocacy studies evaluating the Commission's interventions in priority sectors.	N/A	2	2	Target met 2	N/A	N/A
6. Improved co-ordination on the application of economic policy and competition policy	a) Strategic Partnerships with relevant stakeholders	29	No. of initiatives to promote entry & participation of HDPs.	2	2	4	Target met 4	N/A	N/A
		30	No. of international conferences and forums hosted	1	N/A	1	Target met 1	N/A	N/A
	b) Policy Responses.	31	No. of submissions or responses to policy or regulation.	5	6	4	Target exceeded 6	2 more submissions or responses to policy or regulation.	The Commission received more requests for contributions or policy responses than planned.
	c) Partnerships with government, labour	32	No. of reports on collaboration projects with stakeholders including regulators on	N/A	2	2	Target met 2	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
	, business and sector regulators regarding the objectives of the Competition Act.		objectives of the Competition Act.						
	a) Research & Thought Leadership	33	No. of research and thought leadership insights published.	5	4	4	Target exceeded 8	4 more research and thought leadership insights published.	The Commission received higher than anticipated response to call for papers for the annual competition conference.
		34	Essential Food Price Monitoring Report.	N/A	2	2	Target met 2	N/A	N/A
7. Increased import	b) Collaboration	35	No. of collaborative research on	N/A	4	1	Target met 1	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
ance of developmental perspectives in domestic and international competition law discourse	with Regional & international partners.		cross-country competition issues.						
	c) Strengthened strategic bilateral and multilateral relations focused on	36	No. of projects/contributions focused on influencing international competition regulation.	21	4	6	Target met 6	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
	influencing with a developmental perspective.								
STRATEGIC GOAL 3: A PEOPLE-CENTRIC AND HIGH-PERFORMANCE ORGANISATION									
8. Sound Corporate Governance	a) level of adherence to sound corporate governance and accountable management or resources.	37	Audit Outcome.	Clean Audit	Clean Audit	Clean Audit	Target met Clean Audit	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
9. Secure, harmonious, and conducive working environment	a) Conducive Facilities & Efficient Security.	38	No of quarterly reports on implementation of the OHS compliance plan.	4	4	4	Target met 4	N/A	N/A
10. Highly engaged, motivated and productive workforce	a) Talent Management.	39	% of HR spend in learning and development.	2.16%	1%	1%	Target met 1.03%	N/A	N/A
		40	% retention rate of staff complement.	98.48%	98%	≥90%	Target met 98.57%	N/A	N/A
		41	% of staff reached through training initiatives.	68.6%	70%	≥65%	Target met 74%	N/A	N/A
11. Business Process	a) Review and redesign of business	42	No. of reviews of complaints, exemptions, market inquiries, merger process and rules made	N/A	2	2	Target met 2	N/A	N/A

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
Improvement	processes to improve efficiency and organisational agility.		under the Competition Act.						
	b) Development of an integrated Management Information System (MIS) to ERP	43	Progress report on the development of the Management Information System (MIS) integrated to ERP	N/A	N/A	Progress Report on the development of the MIS integrated to Enterprise Resource Planning (ERP) and an Approved Concept Note on Digitalisation at the Commission.	Target not met	Development of the MIS integration to ERP not finalised	The Commission had an unanticipated contractual dispute with the service provider.

Outcome	Outputs	No.	Performance Indicator	Audited Actual Performance 2022/23	Audited Actual Performance 2023/24	Planned Annual Target 2024/25	Annual Achievement 2024/25	Deviation from planned target to Actual Achievement for 2024/25	Reason for variance
12. Sound financial controls and management of public finances	c) Payment of supplier invoices report	44	% of suppliers paid within 20[4] days.	82.19%[5]	77.68%[6]	100%	Target not met 76.09%	23,91% below planned target	Lack of system integration of the invoice payment process resulting in backlogs. Although the Commission has not met the target, there has been some improvement in the percentage of invoices paid.

[4] Turnaround time reduced from 30 days to 20 days during revision of APP
[5] % of suppliers paid within 30 days
[6] % of suppliers paid within 30 days

Linking performance with budgets

	2024/2025			**2023/2024**		
Programme/activity/objective	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**	**Budget**	**Actual Expenditure**	**(Over)/Under Expenditure**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Human resources	332,573	342,010	(9,437)	320,744	314,735	6,009
Premises and equipment	33,317	25,442	7,875	23,680	15,167	8,513
Other operational	21,291	10,821	10,470	17,433	15,457	1,976
Research and information	3,624	2,372	1,252	6,299	3,304	2,995
IT and system development	17,412	6,551	10,861	5,120	11,796	(6,676)
Educational awareness	38,627	21,852	16,775	16,037	14,996	1,041
Case related costs	106,770	91,868	14,902	93,199	91,305	1,894
Capital expenditure	25,515	11,415	14,100	14,700	1,437	13,263
Depreciation	7,000	6,193	807	7,000	4,448	2,552
Other program costs	70,862	30,542	40,320	40,941	21,189	19,752
Total	**656,991**	**549,066**	**107,925**	**545,153**	**493,834**	**51,319**

iii. REVENUE COLLECTION

	2024/2025			**2023/2024**		
Sources of revenue	**Estimate**	**Actual Amount Collected**	**(Over)/Under Collection**	**Estimate**	**Actual Amount Collected**	**(Over)/Under Collection**
	R'000	**R'000**	**R'000**	**R'000**	**R'000**	**R'000**
Merger and acquisitions	**68,317**	**72,053**	**3,736**	**71,027**	**59,808**	**5,300**
Government grant	**426,193**	**426,193**	**-**	**453,195**	**407,875**	**45,320**
Interest received	**25,000**	**18,505**	**(6,495)**	**7,930**	**44,437**	**(36,507)**
Total	**519,510**	**516,751**	**(2,759)**	**532,152**	**512,120**	**20,032**

The under-collection of mergers and acquisitions filing fees is attributed to fewer merger filings during the year than anticipated.

Interest income received is mainly due to the Commission receiving the government grant in quarterly tranches as opposed to full allocation as it used to be in the prior years. This impacted the budget as it was anticipated that the grant will be received in full at the beginning of the financial year, therefore influenced the Commission's ability to generate interest throughout the year. Additionally, the frequent payment of suppliers on a daily basis to meet the Commission's 20-day target has impacted cash balances in our short-term investments, as withdrawals are necessary to facilitate supplier payments.

Part C

Governance

1. INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to legislative requirements based on a public entity's enabling legislation, and the Companies Act, corporate governance with regard to public entities is applied through the precepts of the Public Finance Management Act (PFMA) and run in tandem with the principles contained in the King's Report on Corporate Governance. The Office of the Commissioner oversees the corporate governance function and has established systems and practices to ensure transparency and accountability throughout the organisation.

2. PORTFOLIO COMMITTEES

The Commission appears before its oversight Portfolio Committee on Trade, Industry and Competition, other portfolio committees and the Standing Committee on Public Accounts (SCOPA) on request. The table below details activities during the year under review.

Date	Name of portfolio committee or committee	Reason for the appearance
24 July 2024	Portfolio Committee on Trade, Industry and Competition	Dtic group's work in relation to: Competition Policy; Companies Regulation; Intellectual Property – Regulation, TC, Trade, and relevant Entities
27 August 2024	Portfolio Committee on Trade, Industry and Competition	Briefing by the Commission and the Tribunal on their annual performance plans and budgets
28 August 2024	The Portfolio Committee on Health	The Competition Commission, to brief the Committee on the Health Market Inquiry Report.
11 February 2025	Portfolio Committee on Communications and Digital Technologies	Briefing by the Competition Commission on the recent reports emanating from all inquiries within the ICT sector investigation for both the telecommunications and broadcasting services.

12 February 2025	Portfolio Committee on Communications and Digital Technologies	Responses by Competition Commission and ICASA.
1 April 2025	Portfolio Committee on Transport	Meeting on competition matters in the budget airline industry; Formal consideration of the Committee's oversight report; Consideration of 2025/26 1st Quarter Programme by the dtic and Commission.

3. EXECUTIVE AUTHORITY

The Executive Authority (**the dtic**) plays an oversight role over core function, administration and governance matters. The Commission ensured timely submission of Quarterly Performance Reports to the dtic in accordance with the timelines mandated by the Public Finance Management Act. This demonstrates the Commission's commitment to accountability and transparency in its reporting processes. Quarterly meetings which are an interface between the dtic and management are held where core function, administration and governance reports are tabled for deliberation and accountability. Below is a synopsis of meetings held and reports tabled:

Committee Name	No. of meetings held	Date of meeting	Report tabled
Dtic oversight committee	4	Q1=31 July 2024 Q2= 31 October 2024 Q3= 31 January 2025 Q4= 30 April 2025	Quarterly performance reports to the dtic

4. THE ACCOUNTING AUTHORITY

Committees

The Commission has the following governance structures in place, which strengthen internal controls, governance and risk management. Each Committee operates within the ambit of its defined Terms of Reference that set out the composition, role, and responsibilities, delegated authority and meeting requirements of each Committee.

Table 15: Committees

Committee Name	No. of Members	No. of Meetings Held
Commission Meeting	9	52
Executive Committee (EXCO)	11	12
Audit & Risk Committee	4	6
Remuneration Committee (REMCO)	3	7
Management Committee (MANCOM)	55	11
Human Capital	16	6
Employment Equity	12	4
Technology & Information	14	4
Risk & Governance	16	4

5. RISK MANAGEMENT

5.1 Risk Management Policy and Strategy

The Commission has a Risk Management function established in accordance with the requirements of the National Treasury Regulations, the King IV Report on Corporate Governance and in compliance with the Public Sector Risk Management Framework. The Commission has developed and is implementing a comprehensive Risk Management Framework, supported by a detailed policy and implementation plan, to ensure a structured and proactive approach to risk and risk management. This framework is designed to identify, assess, monitor, and manage risks that may impact the achievement of the Commission's strategic objectives and operational goals.

The Commission's risk management policy is fully aligned with the requirements of the PFMA, the Public Sector Risk Management Framework, and is guided by leading international standards and best practices, including the Committee of Sponsoring Organisations of the Treadway Commission framework (COSO) and ISO 31000: Risk Management Guidelines.

This integrated approach ensures that risk management is embedded in all levels of the Commission's operations and decision-making processes, enabling the organisation to respond effectively to both current and emerging risks while maintaining transparency, accountability, and sound governance.

5.2 Regular Risk Assessments

As part of its governance and compliance responsibilities, the Commission conducts regular risk assessments to ensure effective oversight and proactive risk management. These assessments serve to:

- Evaluate the effectiveness of existing risk mitigation measures;
- Identify new and emerging risks that may impact strategic or operational objectives; and
- Adapt risk management strategies in response to evolving internal and external environments.

The outcomes of these assessments are incorporated into the Commission's risk registers, which are reviewed and updated regularly. These registers form a critical component of the Commission's internal audit and performance monitoring processes, supporting informed decision-making and continuous improvement across the organisation.

5. 3 Risk Management Committee

The Commission has established a Risk and Governance Committee, which operates as a sub-committee of EXCO and is appointed by the Commissioner. The Committee plays a pivotal role in strengthening the organisation's risk oversight and governance framework. Its key responsibilities include:

- overseeing the implementation and ongoing maintenance of the Commission's risk management processes;
- reporting directly to EXCO on significant risk exposures and emerging risk trends; and
- focusing on the mitigation of unacceptable or high-impact risks, ensuring appropriate and timely interventions are implemented.

This committee serves as a critical governance structure, supporting the Commission's commitment to a strong risk culture, ethical conduct, and sound decision-making.

5. 4 Role of the Audit and Risk Committee

The Audit and Risk Committee plays a key advisory and oversight role in the Commission's risk management. The Committee:

- advises and provides oversight on risk management issues.
- independently monitors the effectiveness of the overall risk management framework.
- ensures that internal audit plans are risk-based and aligned with the Commission's strategic priorities.

The committee also reviews reports from internal and external auditors regarding risk exposure and control deficiencies.

5.5 Progress and Performance Improvement

The Commission has observed progress in its risk management maturity, with improvements noted in internal controls, compliance, and strategic alignment. Some of the resulting benefits include:

- more effective prioritisation of resources.
- enhanced accountability in operations.
- greater responsiveness to regulatory changes and public interest matters.

However, where gaps are identified, for example, in capacity constraints or emerging regulatory challenges the Commission undertakes corrective measures, such as:

- strengthening internal skills through training.
- updating risk registers and mitigation plans.
- enhancing coordination between divisions to mitigate cross-cutting risks.

6. INTERNAL CONTROL UNIT

The Commission has structures and processes that serve to assist in implementing sound and effective internal control systems within its operations. These are used to assist management in overseeing better control over the entity and monitor compliance with prescripts.

7. INTERNAL AUDIT AND AUDIT AND RISK COMMITTEE

The purpose of the Internal Audit function is to provide independent, objective assurance designed to add value and improve the Commission's operations. Internal Audit evaluates the effectiveness of risk management, internal controls, and governance processes.

Internal Audit developed an internal audit plan that was recommended by management and approved by the Audit and Risk Committee for the financial year. Internal Audit conducted reviews and submitted reports to management and the Audit and Risk Committee in line with the internal audit plan. The reports stated the findings and recommendations for actions to be taken to strengthen controls in relation to the reviews conducted. Internal Audit conducted reviews on the following: risk management, human resources, litigation, cybersecurity, performance information, financial control, enterprise resource planning, business continuity management, annual financial statements, and probity reviews of tenders falling within the set threshold.

The tabled below discloses relevant information on the audit committee members

Name	Qualifications	Internal or external	Date appointed	Date Resigned	No. of Meetings attended
Rachel Kalidass	Bachelor of Accounting Sciences Bachelor of Commerce Honours Chartered Accountant	External	Re-appointed : 1 March 2024	N/A	6
Yongama Pamla-Dhludhlu	Bachelor of Commerce Post-Graduate Diploma in Management Chartered Accountant	External	1 March 2024	N/A	6
Tebogo Sethibe	Bachelor of Science (Computer Science and Applied Mathematics) Bachelor of Science in Computer Science (Honours) Master of Information Technology Master of Business Leadership Doctor of Business Leadership	External	1 March 2024	N/A	5
Ntombizine Madyibi	Diploma in Labour Law Bachelor of Commerce Bachelor of Commerce Honours Masters in Business Administration	External	1 March 2024	N/A	6

8. COMPLIANCE WITH LAWS AND REGULATIONS

In addition to its core mandate of enforcing the Competition Act, the Commission adopts a holistic approach to compliance, ensuring alignment with all applicable laws, policies, and regulatory frameworks. Particular emphasis is placed on those that promote economic transformation, good governance, and financial accountability.

The Commission's commitment to compliance reflects its dual role not only as a regulator of competition in the economy, but also as a responsible and accountable public institution. Through these efforts, the Commission actively supports South Africa's broader objectives of economic development, inclusive growth, and ethical public sector governance.

9. FRAUD AND CORRUPTION

The Commission maintains a zero-tolerance approach to fraud and corruption and has implemented comprehensive measures to prevent, detect, and respond to such risks. These measures are guided by internal policies, national legislation, and international best practices, ensuring that the Commission remains a transparent, ethical, and accountable public institution.

The Commission's Fraud Prevention Policy and Strategy is structured around the following key elements:

- Clear articulation of the Commission's commitment to managing fraud and corruption risks;
- Awareness and prevention initiatives, including regular campaigns and staff engagement to reinforce ethical conduct and highlight the importance of integrity;
- Defined reporting procedures and channels for detecting and investigating fraud and corruption;
- Mechanisms for recovering financial losses resulting from fraudulent activity; and
- The promotion of a zero-tolerance stance towards all forms of fraud and corruption.

The strategy emphasises a proactive approach to identifying and mitigating fraud and corruption risks across all operational areas of the Commission.

Whistleblowing and Reporting Mechanisms

To support transparency and accountability, the Commission provides multiple confidential channels for reporting suspected fraud and corruption:

- Anonymous Reporting: The Commission subscribes to the National Anti-Corruption Hotline (NACH) – 0800 701 701, allowing any individual or member of the public to report suspected fraud or corruption anonymously. This ensures the confidentiality and protection of whistleblowers who wish to remain unidentified.

- Internal Reporting**:** Employees are encouraged to report any suspected fraudulent or unethical conduct through the Commission's internal reporting procedures. The Commission is fully committed to safeguarding whistleblowers from retaliation, in line with the provisions of the Protected Disclosures Act 26 of 2000.

These mechanisms are fundamental to fostering a culture of integrity, transparency, and accountability, and to ensuring that the Commission's operations remain free from fraudulent and corrupt practices.

10. MINIMISING CONFLICT OF INTEREST

Managing conflict of interest forms an integral part of the sound ethical practices at the Commission. This is done at the beginning of the financial year through mandatory Annual Financial Declarations of Interest by all employees. Divisions that are responsible for enforcement require investigators to declare conflicts of interest at case allocation stage so that employees can declare any conflicts of interest they have, and are not allocated such cases. All meetings of the governance structures have a standard agenda item requiring all members and attendees to declare conflicts of interest on matters on the agenda, with those who declare a conflict of interest required to leave the meeting and not to participate in the discussions on the items where they are conflicted.

To minimise conflicts of interest in supply chain management (SCM), the Commission implements a supply chain management policy and procedures that allow for identification, recognition, recording, disclosure, and appropriately reporting any conflict of interest that may arise. The implementation of this process allows for the promotion of transparency, fairness, and adherence to ethical standards. The impact of identified conflict of interest involves reporting, investigation, and remediation, potentially including reassignment or removal of the involved party in supply chain management processes.

11. CODE OF CONDUCT

The work of the Commission must not only be fair and equitable but must be seen to be as such. The Commission therefore requires its employees to display loyalty to the country's Constitution and all relevant legislation, above personal gains. The Commission and its employees are committed to conducting themselves in accordance with the highest standards of integrity and ethics and in compliance with the principles of honesty, objectivity, and independence. The code of conduct should act as a guideline to employees as to what is expected of them from an ethical point of view, both in their individual conduct and in their relationships with others. Compliance with the code of conduct can be expected to enhance professionalism and help to ensure service confidence. The primary purpose of the code of conduct is a positive one, viz. to promote exemplary conduct. Notwithstanding this, an employee shall be guilty of misconduct and may be dealt with in accordance with the code of conduct if he or she contravenes any provision of the code of conduct or fails to comply with any provision thereof.

12. HEALTH SAFETY AND ENVIRONMENTAL ISSUES

Occupational health and safety

The Commission has an Occupational Health and Safety (OHS) Committee which exists to oversee health and safety issues across the organisation and monitor compliance with all relevant legislation and policies. During the reporting period, the Commission held quarterly OHS Committee meetings and continued to implement planned health and safety activities which are geared towards ensuring that it creates a conducive environment for all employees. During the period under review, the Commission recorded only one incident, reflecting a generally safe working environment. Routine OHS inspections were conducted effectively by trained and appointed representatives and there has been a noticeable improvement in housekeeping across the office. This positive change is largely attributed to the efforts of the emergency team in raising awareness about good housekeeping practices. A well-coordinated emergency evacuation drill was conducted in the period under review at the dtic Block C, with full building evacuation completed in just nine minutes. All emergency systems functioned optimally including alarms, PA systems, emergency door releases and HVAC shutdowns. The drill demonstrated improved response times and increased staff compliance with safety procedures.

Additionally, the OHS Policy Statement and Terms of Reference were reviewed and updated to align with the Commission's growth and continued commitment to maintaining a safe and compliant work environment.

The primary focus for the next financial year is to continue complying with the provisions of the Occupational Health and Safety Act given that the Commission has acquired additional space for staff. We also welcome the new members in the OHS Committee who are dedicated to assisting the existing members to carry out the mandate of the Act in our workplace.

13. COMPANY SECRETARY

The company secretary plays a vital role in facilitating the effective operation of the governance committees. The position further helps to maintain transparency, accountability, and integrity in the governance processes of the Commission. The company secretary also provides administrative support to the committees, including scheduling of meetings, preparing agendas, distributing meeting packs, and coordinating all the relevant activities.

14. B-BBEE COMPLIANCE PERFORMANCE INFORMATION

The following table has been completed in accordance with the compliance to the BBBEE requirements of the BBBEE Act of 2013 and as determined by the Department of Trade, Industry and Competition.

Has the Department / Public Entity applied any relevant Code of Good Practice (B-BBEE Certificate Levels 1 – 8) with regards to the following: BBBEE compliance which includes the verification process, outcome and reporting to the BBBEE Commission as well reporting the Annual report for 2023/2024 (*verification process is under final review – information not ready yet)*		
Criteria	**Response Yes / No**	**Discussion** (***include a discussion on your response and indicate what measures have been taken to comply***)
Developing and implementing a preferential procurement policy?	Yes	The Commission apply an approved Preferential Procurement Policy in all acquisition processes.
Determining qualification criteria for the sale of state-owned enterprises?	N/A	N/A
Developing criteria for entering into partnerships with the private sector?	N/A	N/A
Determining criteria for the awarding of incentives, grants and investment schemes in support of Broad Based Black Economic Empowerment?	N/A	N/A

BBBEE reporting:

Public entities are required to contribute and play their role in implementing BBBEE and the imperatives of section 9(2) of the Constitution. The Commission commenced with the BBBEE verification process on 19 November 2024 and AMAX Verifications (Pty) Ltd was appointed to assist with the BBBEE verification audit process. The BBBEE verification process was expected to yield a BBBEE Status for the Commission for the 2023-24 Financial Year.

The process sought to audit and measure the following elements as per the BBBEE Codes and applicable BBBEE Act:

a) ***Management control*** - number of directors and managers for each category, race classification, gender, age, location, disability indication, disability and value thereof.
b) ***Skills development*** - number of black persons trained per race classification, gender, age, location, disability indication, disability and value thereof;

c) ***Enterprise and supplier development*** - number of all black-owned EMEs/QSEs enterprise and supplier development entities assisted and value thereof.
d) ***Socio-economic development*** - number of black participants, race classification, gender, geographical location and value thereof.

The verification process for the 2023/2024 financial year was concluded on 30 May 2025, the outcome of the verification process for Commission was non-compliant, which reflect level 0%. See attached certificate.

The BBBEE compliance is mandatory annually, as prescribed in section 13G of the BBBEE Act. The Commission reported to the BEE Commission for compliance reporting on 06 June 2025, which included the submission of BBBEE Form 1 and the 2023/2024 BEE certificate. The BEE Commission provided feedback and confirmation of receipt on 12 June 2025.

The mitigation strategy going forward for Commission is (1) to develop and incorporate BBBEE strategy in the Organisational Operational Plan for the purpose of implementing and monitoring progress and (2) to appoint a BEE consultant to assist in achieving BEE targets.

The Commission prices itself in achieving 96% BBBEE spend, as it continues to contract suppliers that 100% BBBEE owned, Women owned and business that have an annual turnover that is less than R10 million or with a turnover that is between R10 and R50 million.

Part D

Human Resource **Management**

1. INTRODUCTION

The Commission's Human Resources department played a significant role in the completion of year 5 (five). Although various challenges arose during this period, efforts were made toward ongoing improvement of services provided to employees while upholding organisational values. Processes are regularly reviewed to identify opportunities for further improvement. Achieving 90% of set targets demonstrates the continuous improvement approach adopted by Human Capital. Additionally, the Human Capital policy manual was comprehensively reviewed to ensure consistency with current working methods.

Deploying recruitment and retention strategies:

During the financial year our average time to hire improved by 10.3% which has been a great improvement over the years. Furthermore, we ended the quarter with a 10.4% vacancy ratio, this meant that 88% of our vacancies throughout the year were successfully filled.

In the ever-evolving landscape of talent acquisition, the Commission through its talent attraction initiatives have enhanced our market presence. We took a pivotal step forward by procuring and implementing the LinkedIn recruiter tool which has enhanced our ability to connect top tier talent and ultimately fortifying our position as an employer of choice. We have had an unprecedented access to a vast pool of potential candidates, provided advanced searching capabilities, and data driven insights. We have successfully attracted talent from top tier "Big Four" law firms and leading economic consultancies specialising in competition law, resulting in actual hires. Notably, we have made four key appointments in the mid-level management and specialist categories from these top-tier firms, reflecting the growing recognition of our institution as a prime destination for professionals in the competition law space. While we continue to face challenges in securing senior-level candidates from these firms, our recruitment processes have demonstrated that our internal candidates at these levels remain highly competitive.

The Commission recognises the strategic significance of our graduate programme in replenishing its talent pool with practitioners possessing applied experience. To ensure a diverse intake, efforts were made to reach tertiary institutions across the country, including those in marginalised areas often overlooked in the talent attraction journey. Acknowledging the diverse backgrounds of applicants, the Commission structured a comprehensive bootcamp to equip shortlisted participants with essential skills beyond the immediate scope of employment at the Commission The successful implementation of our first Graduate bootcamp culminated in 17 graduates being onboarded. To date, 7 (seven) of these graduates have been absorbed into the institution. There is continued reform of the Cadet Programme as a pipeline to the organisation’s talent pool.

Employee Wellness

In this financial year many of the wellness interventions were focused on wellness topics such as mental health awareness; dealing with trauma; loss and resilience; financial management; stress management and work/life integration; and interpersonal relationships. Some of these programmes were sponsored from sessions attended by our employees who see the resident onsite psychologist, who is at our premises two times a week. Whilst more was requested by employees, a far more integrated wellness offering is required. There have been requests for multiple team-based activities such as a running club, netball, soccer and hiking club. This further cements the willingness of employees to connect beyond case work which immensely assist in team cohesion. Our organisational culture strategy places high emphasis on overall wellness in order to cultivate a constructive organisational culture that is caring and living our values.

Driving HR excellence and innovation

As a high-performance agency, the Commission successfully delivers on its objectives through a cohesive, well-structured organisation in which people, processes and systems perform optimally. In the attainment of this goal, the Commission optimises its human capital, resources, systems and processes to be an effective agency. The Commission also builds strong, reliable and integrated information management systems underpinned by the best in-range IT platform where data can be securely shared, stored and managed. To become a high performing organisation, it is important that the Commission's resources are optimally utilised across the organisational structure to deliver on its strategic objectives.

The Commission successfully implemented an ERP system that has automated the organisation's performance management processes, employee self service and a learning management system. These systems have enabled us to roll out mandatory ethics training enhanced with mandatory courses on Anti-Money Laundering, Anti-Bribery, Anti-Corruption, and Conflict of Interest.

Investment in our employee's development.

The Human Capital Development (HCD) Strategy is a key document within the Human Capital function that provides objectives and guidelines for the development of human capital within the Commission. This strategy was developed through a deep dive into the organisation's current and future needs in terms of capability development, with strong alignment to Strategic Objective 3 of the Commission, as well as the Commission's Talent Management Framework.

The workforce benefits from a broad range of qualifications, predominantly in legal and regulatory fields. With a concentration of professionals holding LLB degrees, LLMs, and PhDs, the organisation has benefitted from deep analytical, legislative, and academic expertise, which is crucial for interpreting and enforcing competition laws effectively. In this financial year we provided funding to 44 employees including numerous Phd candidates, which aligns to our vision of being a thought leader in the field. There is a strong uptake of training by African females within the organisation which aligns to the transformation agenda of the entity.

The financial year 2023/24 showcased the Commission's commitment to nurturing its human capital through a well-structured bursary programme. The alignment of actual spend with the budgeted figures underscores a high level of fiscal management and a keen understanding of the organisation's learning needs. We launched a 12-month comprehensive Investigator Development training programme developed with the University of Johannesburg, targeting technical staff to enhance investigative, analytical, and litigation skills through modules on investigative mindset, methodologies, information gathering, and trial advocacy. The programme included lectures, workshops, role plays, and practical exercises, culminating in certification and supporting learning materials.

With the implementation of the Learning Management System, we have been able to analyse the learning experience. The most attended interventions focused on workplace boundaries, digital information gathering, data protection (POPI), use of AI tools like ChatGPT, online privacy, sector-specific regulation (NHI Act), screening methodologies, and cybersecurity. These reflect a strong emphasis on compliance, ethics, digital transformation, sector relevance, and short-form learning for broad reach.

Over the next three to five years, through the learning academy, we aim to ensure comprehensive skills enhancement aligned with the strategic goals and be recognised as a benchmark in strategic learning and thought leadership in the competition space. Further, we intend to deliver a skilled and agile workforce that is future ready through the legal and economic development programmes; and proactively respond to regulatory, economic and technological shifts.

Future HR plans:

The 2025-2030 strategic plan necessitates a review of the organisational structure to take into account the need to capacitate the Commission to respond with greater agility to the new priorities of the 7th Administration while also responding to the changing environment within which the Commission is conducting its work. This is to ensure that specialised expertise and skills are strategically aligned with priority areas. This alignment will enable the Commission to respond dynamically to market developments, undertake timely investigations, and conduct robust market inquiries essential for detecting and addressing anti-competitive practices. By structuring teams to focus on key priorities, the competition authority can optimise its resources and enhance accountability within its ranks. Furthermore, this strategic design allows for flexible resource allocation, so teams can adapt as new priorities emerge especially in response to evolving market conditions, such as increased digitalisation.

Over the next five years, Human Capital aims to strengthen organisational performance by refining people management practices and improving the employee experience. Employees are regarded as a key resource, with their well-being and engagement influencing overall outcomes. The objective is to develop a workplace environment where individuals are respected and have the opportunity to contribute effectively. This approach involves three primary focus areas:

- Implementing a structured career management framework to support the attraction, retention, and development of professionals.
- Developing an employee value proposition that encourages a high-performing and people-focused organisational culture.
- Establishing a continuous learning environment to build internal expertise across various disciplines and specialisations.

2. HUMAN RESOURCE OVERSIGHT STATISTICS

Human capital management is an integral component in the execution of the mandate of the Commission and its performance against targets. During the period under review, the Commission focused on effective management of its staff complement, investment in human capital development, effective management of employee relations and the wellness of staff. All the financial amounts stated below agree to the amounts disclosed in the annual financial statements. Appropriate reasons for variances are provided.

2.1 Personnel related expenditure

Personnel Cost by programme/ activity/ objective

Programme/activity/objective	Total Expenditure for the entity (R'000)	Personnel Expenditure (R'000)	Personnel exp. as a % of total exp. (R'000)	No. of employees	Average personnel cost per employee (R'000)
Goal 1: Enforcing and Regulating towards economic growth and enhanced economic participation	191,472	117,852	22%	95	124,403
Goal 2: Advocating for improved compliance and pro-	124,954	97,584	18%	73	95,594

competitive public policy outcomes					
Goal 3: A people-centric and high-performance organization	230,820	127,655	23%	94	123,094

Personnel cost by salary band

Level	Personnel Expenditure (R'000)	% of personnel exp. to total personnel cost (R'000)	No. of employees	Average personnel cost per employee (R'000)
Top Management	5,897	2%	2	2,619
Senior Management	25,897	8%	9	11,786
Professional qualified	170,661	50%	95	124,403
Skilled	103,848	30%	100	130,951
Semi-skilled	32,014	9%	39	51,071
Unskilled	672	0%	2	2,619
Cadets	4,102	1%	15	19,643
TOTAL	**343,091**	**100%**	**262**	**343,091**

Performance Rewards

Programme//activity/objective	Performance rewards	Personnel Expenditure (R'000)	% of performance rewards to total personnel cost (R'000)
Top Management	242	5,897	0.1%
Senior Management	1,264	25,897	0.4%
Professional qualified	10,332	170,661	3.0%
Skilled	4,456	103,848	1.3%
Semi-skilled	1,565	32,014	0.5%
Unskilled	47	672	0.0%
TOTAL	17,906	338,989	5.0%

Training Costs

Programme//activity/objective	Personnel Expenditure (R'000)	Training Expenditure (R'000)	Training Expenditure as a % of Personnel Cost.	No. of employees trained	Avg training cost per employee
Local Training	269119875.07	1830612.36	0.68%	213	8.59
International Training	269119875.07	574594.44	0.21%	18	31.92

Bursaries	269119875.07	1543376.84	0.57%	43	35.89

Employment and vacancies

Programme/activity/objective	2024/2025 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Replacements and New Posts	235	55	235	46	19%

Programme/activity/objective	2024/2025 No. of Employees	2024/2025 Approved Posts	2024/2025 No. of Employees	2024/2025 Vacancies	% of vacancies
Top Management	2	0	2	0	0
Senior Management	9	2	2	1	0
Professional qualified	86	33	0	14	0
Skilled	92	39	0	18	0
Semi-skilled	39	0	0	0	0
Unskilled	2	0	0	0	0
TOTAL	**230**				

The current reported vacancy rate of 19% is largely influenced by organisational structure approvals which added more vacancies at the end of Q3 (December 2024), these were termed Phase-1 positions. This resulted in a recalculation of the total vacant positions, what would have otherwise been a lower vacancy rate of 10% was then inflated. The timing of these approvals created a lag, causing vacancies that were previously not recognised as such to appear in our current stats.

Furthermore, whilst we have had success in attracting mid-level talent, there remains a challenge in securing senior-level professionals from competitive industries. This suggests the need for targeted strategies, such as leadership development programmes, succession planning, or revisiting compensation packages to attract and retain senior talent.

Employment changes 2024/25

The organisation generally experiences low attrition, with most positions filled internally. However, challenges have arisen at the senior management level, prompting targeted interventions.

Salary Band	Employment at beginning of period	Appointments	Terminations	Employment at end of the period
Top Management	2	0	0	2

Senior Management	9	1	0	10
Professional qualified	90	3	2	91
Skilled	89	10	7	92
Semi-skilled	38	1	1	38
Unskilled	2	0	0	2
Total	**230**	**15**	**10**	**235**

Reasons for staff leaving

Reason	Number	% of total no. of staff leaving
Death	0	0%
Resignation	10	4,26%
Dismissal	0	0%
Retirement	0	0%
Ill health	0	0%
Expiry of contract	0	0%
Other	0	0%
Total	**10**	**5,11%**

Most employees leave the organisation to pursue better opportunities and gain diverse skills in other industries.

Labour Relations: Misconduct and disciplinary action

Nature of disciplinary Action	Number
Verbal Warning	None
Written Warning	Two
Final Written warning	None
Dismissal	None

Equity Target and Employment Equity Status

Overall, the Commission is above the 95% compliance rate on EE numeric targets, a significant milestone has been reached, in that, the Commission now stands at 50/50 male to female representation at top management, 40% female and at 60% male representation at Senior anagement level and this constitutes a decline from 45% female representation. Middle management level stands at 50/50 as at end of March 2025. Females remain equitably represented at senior management level as they now meet the EAP demographic target required. The over-all representation stands at 56% females and 44% males; this shows that there is a decline on male representation at the Skilled

Technical and Semi-Skilled levels. Although progress to attract males at the said levels is very slow, the Commission is making inroads to avert the situation and is tracking well with the EE targets as per the plan. There remains a need to improve the representation of males in the make-up of the Commission in line with the Employment Equity Plan with particular emphasis on Skilled Technical and Semi-Skilled levels, respectively. People with disabilities represent 2.3% of Commission staff, therefore achieving the legislated target of 2%. However, the Commission will continue to increase efforts in the recruitment of people with disabilities by giving priority to qualifying applicants for vacant positions, as well as for development opportunities.

Levels	MALE							
	African		Coloured		Indian		White	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	5	4	0	1	0	0	1	0
Professional qualified	30	34	0	4	3	1	8	4
Skilled	38	41	0	5	1	2	0	4
Semi-skilled	9	17	0	2	0	1	2	2
Unskilled	0	0	0	0	0	0	0	0
TOTAL	**35,51%**	**43,60%**	**0,47%**	**5,0%**	**0,93%**	**1,7%**	**3,74%**	**4,8%**

Levels	FEMALE							
	AFRICAN		COLOURED		INDIAN		WHITE	
	Current	Target	Current	Target	Current	Target	Current	Target
Top Management	1	1	0	0	0	0	0	0
Senior Management	2	4	1	0	0	0	1	0
Professional qualified	30	28	2	3	4	1	2	3
Skilled	49	33	0	4	3	1	2	4
Semi-skilled	24	14	2	2	1	0	0	1
Unskilled	2	1	0	0	0	0	0	0
TOTAL	**50%**	**35,9%**	**2,34%**	**4,1%**	**4,67%**	**0,9%**	**2,34%**	**3,9%**

Levels	Disabled Staff			
	Male		Female	
	Current	Target	Current	Target
Top Management	0	0	0	0
Senior Management	0	0	0	0
Professional qualified	1	1	2	1
Skilled	0	0	0	0
Semi-skilled	1	0	1	0
Unskilled	0	0	0	0
TOTAL	**2**	**1**	**3**	**1**

Part E

PFMA Compliance

Report

1. IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE AND MATERIAL LOSSES

1.1. Irregular expenditure

a) Reconciliation of irregular expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	1 313	1 038
Adjustment to opening balance	-	773
Opening balance as restated	-	-
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	-	(498)
Less: Irregular expenditure recoverable[7]	-	-
Less: Irregular expenditure not recoverable and written off	-	-
Closing balance	**1 313**	**1 313**

Include discussion here where deemed relevant.

Reconciling notes

Description	2024/2025	2023/20248
	R'000	R'000
Irregular expenditure that was under assessment	773	-
Irregular expenditure that relates to the prior year and identified in the current year	-	-
Irregular expenditure for the current year	-	773
Total	**773**	**773**

b) Details of irregular expenditure (under assessment, determination, and investigation)

Description[9]	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure under assessment	-	-
Irregular expenditure under determination	-	773
Irregular expenditure under investigation	1 313	-
Total	1 313	773

[7] Transfer to receivables
[8] Record amounts in the year in which it was incurred
[9] Group similar items

Include discussion here where deemed relevant.

c) Details of irregular expenditure condoned

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure condoned	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

d) Details of irregular expenditure removed - (not condoned)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure NOT condoned and removed	0	(498)
Total	**0**	**(498)**

The irregular expenditure removed in the prior year was incurred in 2021/2022 due to a bid awarded to a service provider who submitted an invalid BBBEE certificate. The necessary steps, in line with National Treasury Instruction Note 4 of 2022/23, were implemented, and consequence management was applied. However, the National Treasury did not condone the irregular expenditure due to insufficient proof of implemented internal controls to prevent similar future transgressions. These controls have since been implemented and confirmed to be effective.

e) Details of irregular expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure recoverable	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

f) Details of current and previous year irregular expenditure written off (irrecoverable)

Description	2024/2025	2023/2024
	R'000	R'000
Irregular expenditure written off	0	0
Total	**0**	**0**

The investigation into irregular expenditure reported in the current financial year has been concluded. Based on the findings, corrective action aligned with the Commission's disciplinary policy has been recommended for two (2) cases, and the respective line managers have been advised to implement the necessary measures. *In the third case, no disciplinary action could be pursued as the implicated employee had already exited the employment of the Commission at the time of the investigation's conclusion. The matter has, however, been formally recorded with supporting documentation to ensure accountability and maintain an audit trail.*

Additional disclosure relating to Inter-Institutional Arrangements

g) Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution *is not* responsible for the non-compliance)

Description
N/A
Total

Include discussion here where deemed relevant.

h) Details of irregular expenditure where an institution is involved in an inter-institutional arrangement (where such institution *is* responsible for the non-compliance)[10]

Description	2024/2025[11]	2023/2024
	R'000	R'000
N/A		
Total		

Include discussion here where deemed relevant.

[10] Refer to paragraphs 3.12, 3.13 and 3.14 of Annexure A (PFMA Compliance and Reporting Framework) to National Treasury Instruction No. 4 of 2022/2023
[11] Amounts of irregular expenditure related to the current year must be disclosed in the annual financial statements.

i) Details of disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary steps taken
N/A

Include discussion here where deemed relevant.

1.2. Fruitless and wasteful expenditure

a) Reconciliation of fruitless and wasteful expenditure

Description	2024/2025	2023/2024
	R'000	R'000
Opening balance	0	0
Adjustment to opening balance	0	0
Opening balance as restated	0	0
Add: Fruitless and wasteful expenditure confirmed	0	0
Less: Fruitless and wasteful expenditure recoverable[12]	0	0
Less: Fruitless and wasteful expenditure not recoverable and written off	0	0
Closing balance	0	0

Include discussion here where deemed relevant.

Reconciling notes

Description	2024/2025	2023/2024[13]
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment	0	0
Fruitless and wasteful expenditure that relates to the prior year and identified in the current year	0	0
Fruitless and wasteful expenditure for the current year	0	0
Total	**0**	**0**

b) Details of fruitless and wasteful expenditure (under assessment, determination, and investigation)

Description[14]	**2024/2025**	**2023/2024**
	R'000	**R'000**
Fruitless and wasteful expenditure under assessment	0	0

[12] Transfer to receivables
[13] Record amounts in the year in which it was incurred
[14] Group similar items

Fruitless and wasteful expenditure under determination	0	0
Fruitless and wasteful expenditure under investigation	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

c) Details of fruitless and wasteful expenditure recoverable

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure recoverable	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

d) Details of fruitless and wasteful expenditure not recoverable and written off

Description	2024/2025	2023/2024
	R'000	R'000
Fruitless and wasteful expenditure written off	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

e) Details of disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure

Disciplinary steps taken
N/A

Include discussion here where deemed relevant.

1.3. Additional disclosure relating to material losses in terms of PFMA Section 55(2)(b)(i) &(iii))[15]

a) Details of material losses through criminal conduct

Material losses through criminal conduct	2024/2025	2023/2024
	R'000	R'000
Theft	0	0
Other material losses	0	0

[15] Information related to material losses must also be disclosed in the annual financial statements.

Less: Recoverable	0	0
Less: Not recoverable and written off	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

b) Details of other material losses

Nature of other material losses	2024/2025	2023/2024
	R'000	R'000
(*Group major categories, but list material items)*	0	0
Total	**0**	**0**

Include discussion here where deemed relevant and criminal or disciplinary steps taken by the institution.

c) Other material losses recoverable

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(*Group major categories, but list material items)*	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

d) Other material losses not recoverable and written off

Nature of losses	2024/2025	2023/2024
	R'000	R'000
(*Group major categories, but list material items)*	0	0
Total	**0**	**0**

Include discussion here where deemed relevant.

2. LATE AND/OR NON-PAYMENT OF SUPPLIERS

Description	Number of invoices	Consolidated Value R'000
Valid invoices received	0	0
Invoices paid **within** 30 days or agreed period	0	0
Invoices paid **after** 30 days or agreed period	0	0
Invoices older than 30 days or agreed period (***unpaid and without dispute***)	0	0
Invoices older than 30 days or agreed period (***unpaid and in dispute***)	0	0

Include reasons for the late and or non-payment of invoices, including reasons that the invoices are in dispute, where applicable.

3. SUPPLY CHAIN MANAGEMENT

Supply Chain Management (SCM) is responsible for effective and efficient Demand, Acquisition, Disposal, Logistics, Risk, Contract Management and compliance management aligned to the Supply Chain Management Regulatory Framework as prescribed by the National Treasury. SCM ensures processes that are fair, transparent, equitable, cost-effective and competitive. During the 2024/25 financial year, the Commission's Supply Chain Management process achieved the delivery of effective and efficient procurement processes, good governance, compliance reporting and monitoring of fruitless, wasteful, irregular expenditure. The Commission achieved finalisation of strategic acquisitions against the approved procurement plan in compliance with effective collaborative compliance processes such as bid specification, bid evaluation and bid adjudication committees.

3.1. Procurement by other means

Project description	Name of supplier	Type of procurement by other means	Contract number	Value of contract R'000
Green Youth Indaba (Research Project)	Green Youth Network	Sole source	POS012400026	R400 000.00
Sage 300 Training	Sage South Africa (Pty) Ltd	Sole source	POS012400138	R183 919,50
Casware Licence Renewal	Adapt IT (Pty) Ltd	Sole source	POS012500658	R216 890,94
Procurement of Web Traffic Estimator services (annual subscription	Similarweb	Sole source	POS012500637	R656 205,76
Total				**R1 457 016.20**

3.2. Contract variations and expansions

Project description	Name of supplier	Contract modification type (Expansion or Variation)	Contract number	Original contract value	Value of previous contract expansion/s or variation/s (if applicable)	Value of current contract expansion or variation
				R'000	R'000	R'000
Provision for physical security services	SBL Undertaking (Pty) Ltd	Expansion	PO42/420	R700 000,00	N/A	R175 000,00
Provision for Internal Audit services	Lunika (Pty) Ltd	Expansion	PO40/765	R2 649 534,43	N/A	R542 455,00
Provision for Internal Audit services	Lunika (Pty) Ltd	Expansion	PO40/765	R2 649 534,43	N/A	R0,00
Provision for Internal Audit services	Lunika (Pty) Ltd	Expansion	PO40/765	R2 649 534,43	N/A	R0,00
Provision for Internal Audit services	Lunika (Pty) Ltd	Expansion	PO40/765	R2 649 534,43	N/A	R208 411,00
Provision for Internet line and managed firewall services	Vox Telecommunications (Pty) Ltd	Expansion	PO41/106	R942 701.77	N/A	R162 350.76
Provision of SMME Tracker	University of Johannesburg	Expansion	POS012500405	R1 000 500.00	N/A	R150 075.00
Provision of Food Margin Study	University of Johannesburg	Expansion	POS012500406	R1 040 000.00	N/A	R156 000.00
TOTAL				**R11 631 805.06**	**N/A**	**R1 394 291**

Part F

Financial **Information**

1. GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Competition Commission is a statutory body constituted in terms of the Competition Act, No 89 of 1998 by the Government of South Africa empowered to investigate, control and evaluate restrictive business practices, abuse of dominant positions and mergers in order to achieve equity and efficiency in the South African economy.
Executive Committee	Ms. D. Tshepe - Commissioner
	Mr. H. Ratshisusu
	Mr. A. Gwabeni
	Ms. T. param
	Ms. M. Ramokgopa
	Mr. J. Hodge
	Mr. M. Mohlala
	Mr. M. George
	Mr. A. Moledi
	Mr. B. Majenge
	Mr. M. Msibi
	Mr. I Lesofe (Acting DM effective 01 January 2025)
Registered office	Competition Commission of South Africa

	the dtic Campus, Block C Mulayo,77 Meintjies Street, Sunnyside Pretoria, 0002
Economic entity	The Competition Commission is a competition authority of South Africa. The Minister of the Department of Trade, Industry and Competition (**the dtic**) is the Executive Authority. The Competition Commission is a schedule 3A public entity.
Bankers	ABSA Business Bank South African Reserve Bank
Auditor	The Auditor General of South Africa

ACCOUNTING AUTHORITY'S RESPONSIBILITIES AND APPROVAL

The Commissioner is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Commissioner to ensure that the annual financial statements fairly present the state of affairs of the Commission as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Commissioner acknowledges that she is ultimately responsible for the system of internal financial control established by the Commission and places considerable importance on maintaining a strong control environment. To enable the Commission to meet these responsibilities, the Commissioner sets standards for internal controls aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standards in ensuring the Commission's business is conducted in a manner that in all reasonable circumstances are above reproach. The focus of risk management in the Commission is on identifying, assessing, managing and monitoring all known forms of risks across the entity. While operating risks cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Commissioner is of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial controls can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Commissioner has reviewed the Commission's cash flow forecast for the year to March 31, 2026 and, in the light of this review and the current financial position, she is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The Commission is largely dependent on the fiscus or government for continued funding of operations. The annual financial statements are prepared on the basis that the Commission is a going concern and that the Commission has neither the intention nor the need to liquidate or curtail materially the scale of its entity.

Although the Commissioner is primarily responsible for the financial affairs of the Commission, she is supported by the Commission's executive committee as well as the audit and risk committee.

The external auditors are responsible for independently reviewing and reporting on the Commission's annual financial statements. The annual financial statements will be examined by the Auditor General of South Africa (AGSA) as the Commission's external auditors and their report is presented in the annual report.

The annual financial statements set out on page 4 to 38, which have been prepared on the going concern basis, were approved by the Commissioner on July 31, 2025 and were signed on its behalf by:

Ms. Doris Tshepe
Commissioner

2. REPORT OF THE AUDITOR-GENERAL

3. ANNUAL FINANCIAL STATEMENTS

Competition Commission of South Africa
Annual Financial Statements
for the year ended March 31, 2025

General Information

Country of incorporation and domicile	South Africa
Nature of business and principal activities	The Competition Commission is a statutory body constituted in terms of the Competition Act, No 89 of 1998 by the Government of South Africa empowered to investigate, control and evaluate restrictive business practices, abuse of dominant positions and mergers in order to achieve equity and efficiency in the South African economy.
Executive Committee	Ms. D. Tshepe - Commissioner Mr. H. Ratshisusu Mr. A. Gwabeni Ms. T. Mokoka Ms. M. Ramokgopa Mr. J. Hodge Mr. M. Mohlala Mr. M. George Mr. A. Moledi Mr. B. Majenge Mr. M. Msibi Mr. I Lesofe - Acting DM effective 01 January 2025
Registered office	Competition Commission of South Africa The DTI Campus, Block C Mulayo 77 Meintjies Street, Sunnyside Pretoria 0002
Economic entity	The Competition Commission is a competition authority of South Africa. The Minister of the Department of Trade, Industry and Competition (DTIC) is the Executive Authority. The Competition Commission is a schedule 3A public entity.
Bankers	ABSA Business Bank South African Reserve Bank
Auditor	The Auditor General of South Africa

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Accounting Authority's Responsibilities and Approval

The Commissioner is required by the Public Finance Management Act (Act 1 of 1999), to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the Commissioner to ensure that the annual financial statements fairly present the state of affairs of the Commission as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgments and estimates.

The Commissioner acknowledges that she is ultimately responsible for the system of internal financial control established by the Commission and places considerable importance on maintaining a strong control environment. To enable the Commission to meet these responsibilities, the Commissioner sets standards for internal controls aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Commission and all employees are required to maintain the highest ethical standards in ensuring the Commission’s business is conducted in a manner that in all reasonable circumstances are above reproach. The focus of risk management in the Commission is on identifying, assessing, managing and monitoring all known forms of risks across the entity. While operating risks cannot be fully eliminated, the Commission endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Commissioner is of the opinion, based on the information and explanations given by management, that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial controls can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The Commissioner has reviewed the Commission’s cash flow forecast for the year to March 31, 2026 and, in the light of this review and the current financial position, she is satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

The Commission is largely dependent on the fiscus or government for continued funding of operations. The annual financial statements are prepared on the basis that the Commission is a going concern and that the Commission has neither the intention nor the need to liquidate or curtail materially the scale of its entity.

Although the Commissioner is primarily responsible for the financial affairs of the Commission, she is supported by the Commission's executive committee as well as the audit and risk committee.

The external auditors are responsible for independently reviewing and reporting on the Commission's annual financial statements. The annual financial statements will be examined by the Auditor General of South Africa (AGSA) as the Commission's external auditors and their report is presented in the annual report.

The annual financial statements set out on page 4 to 38, which have been prepared on the going concern basis, were approved by the Commissioner on July 31, 2025 and were signed on its behalf by:

Ms. Doris Tshepe
Commissioner

* The Accounting Authority's responsibilities and approval does not form part of the AFS.

Statement of Financial Position as at March 31, 2025

	Note(s)	2025 R '000	2024 R '000
Assets			
Current Assets			
Inventories	3	447	495
Receivables from exchange transactions	4	5,501	4,647
Cash and cash equivalents held on behalf of DTIC	5	13,477	16,031
Cash and cash equivalents	6	186,765	217,764
		206,190	**238,937**
Non-Current Assets			
Property, plant and equipment	7	25,139	16,316
Intangible assets	8	1,019	2,090
		26,158	**18,406**
Total Assets		**232,348**	**257,343**
Liabilities			
Current Liabilities			
Payables from exchange transactions	9	36,953	45,565
Provisions	10	44,709	39,465
Penalties payable to DTIC	5	13,477	16,031
		95,139	**101,061**
Total Liabilities		**95,139**	**101,061**
Net Assets		**137,209**	**156,282**
Accumulated surplus		137,209	156,282
Total Net Assets		**137,209**	**156,282**

Statement of Financial Performance

	Note(s)	2025 R '000	2024 R '000
Revenue			
Revenue from exchange transactions			
Fees earned	12	72,053	59,808
Other income	13	1,975	1,165
Interest received	14	18,505	44,437
Total revenue from exchange transactions		**92,533**	**105,410**
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	15	426,193	407,875
Total revenue	12	**518,726**	**513,285**
Expenditure			
Employee related costs	16	(342,010)	(314,735)
Administrative expenses	17	(6,558)	(4,945)
Depreciation and amortisation		(6,193)	(4,448)
Impairment loss on assets		(138)	-
Finance costs	18	-	(3)
Lease rentals on operating lease	11	(22,352)	(11,966)
Loss on disposal of assets		(97)	(102)
Inventories losses/write-downs		(48)	(439)
Operating expenses	19	(160,400)	(157,197)
Total expenditure		**(537,796)**	**(493,835)**
(Deficit) surplus for the year		**(19,070)**	**19,450**
Cash surplus committed		137,481	-
Surplus for the year including approved cash surplus		**118,411**	**19,450**

Statement of Changes in Net Assets

	Accumulated surplus / deficit R '000	Total net assets R '000
Balance at 01 April 2023	**213,666**	**213,666**
Surplus for the year	19,451	19,451
Transfer of surplus reserves to National Treasury	(76,834)	(76,834)
Balance at 01 April 2024	**156,283**	**156,283**
Surplus for the year	(19,070)	(19,070)
Total changes	(19,070)	(19,070)
Balance at March 31, 2025	**137,213**	**137,213**

Cash Flow Statement

	Note(s)	2025 R '000	2024 R '000
Cash flows from operating activities			
Receipts			
Sale of goods and services		72,025	59,808
Grants		426,193	407,875
Interest income		18,505	44,134
Other income		673	1,544
		517,396	513,361
Payments			
Employee costs		(322,230)	(317,464)
Suppliers		(211,987)	(162,597)
Finance costs		-	(3)
		(534,217)	(480,064)
Net cash flows from operating activities	20	**(16,821)**	**33,297**
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(14,178)	(2,645)
Cash flows from financing activities			
Finance lease payments		-	(179)
Transfer of surplus reserves to National Treasury		-	(76,834)
Net cash flows from financing activities		**-**	**(77,013)**
Net decrease in cash and cash equivalents		**(30,999)**	**(46,361)**
Cash and cash equivalents at the beginning of the year		217,764	264,125
Cash and cash equivalents at the end of the year	6	**186,765**	**217,764**

Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
	R '000	R '000	R '000	R '000	R '000	
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Fees earned	68,317	-	**68,317**	72,053	**3,736**	27
Other income	-	-	**-**	1,975	**1,975**	
Interest received - investment	25,000	-	**25,000**	18,505	**(6,495)**	27
Total revenue from exchange transactions	**93,317**	**-**	**93,317**	**92,533**	**(784)**	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	426,193	-	**426,193**	426,193	**-**	
Total revenue	**519,510**	**-**	**519,510**	**518,726**	**(784)**	
Expenditure						
Personnel	(354,333)	21,759	**(332,574)**	(342,010)	**(9,436)**	
Administrative expenses	(11,159)	(40,406)	**(51,565)**	(6,558)	**45,007**	27
Depreciation and amortisation	(7,000)	-	**(7,000)**	(6,193)	**807**	
Impairment loss on assets	-	-	**-**	(138)	**(138)**	
Lease rentals on operating lease	(21,829)	-	**(21,829)**	(22,352)	**(523)**	
Operating expenses	(125,189)	(118,834)	**(244,023)**	(160,400)	**83,623**	27
Total expenditure	**(519,510)**	**(137,481)**	**(656,991)**	**(537,651)**	**119,340**	
Operating deficit	**-**	**(137,481)**	**(137,481)**	**(18,925)**	**118,556**	
Loss on disposal of assets	-	-	**-**	(97)	**(97)**	
Inventories losses/write-downs	-	-	**-**	(48)	**(48)**	
	-	**-**	**-**	**(145)**	**(145)**	
Deficit for the year	**-**	**(137,481)**	**(137,481)**	**(19,070)**	**118,411**	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	**-**	**(137,481)**	**(137,481)**	**(19,070)**	**118,411**	

Significant Accounting Policies

1. Basis of preparation

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 91(1) of the Public Finance Management Act (Act 1 of 1999).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP and when the Commission has a legal right to set-off the amounts and intends to settle on a net basis to realise the assets and settle the liability simultaneously.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements are set out below.

1.1 Presentation currency

These annual financial statements are presented in South African Rand, which is the functional currency of the entity. All figures presented are rounded off to the nearest thousand.

1.2 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.3 Materiality

Omissions or misstatements of items are material if they could, individually or collectively, influence the decisions or assessments of users made on the basis of the financial statements. Materiality depends on the nature or size of the omission or misstatement judged in the surrounding circumstances. The nature or size of the information item, or a combination of both, could be the determining factor.

Assessing whether an omission or misstatement could influence decisions of users, and so be material, requires consideration of the characteristics of those users. The Framework for the Preparation and Presentation of Financial Statements states that users are assumed to have a reasonable knowledge of government, its activities, accounting and a willingness to study the information with reasonable diligence. Therefore, the assessment takes into account how users with such attributes could reasonably be expected to be influenced in making and evaluating decisions.

1.4 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Determination of impairment of non-financial assets

Management is required to make judgments concerning the cause, timing and amount of impairment of such assets. In the identification of impairment indicators, management considers the impact of changes in the current market conditions, technological obsolescence, physical damage, the cost of capital and other circumstances that could indicate that the impairment exist. Management's judgment is also required when assessing whether a previously recognised impairment loss should be reversed.

Where impairment indicators exist, determination of the recoverable amount requires management to make assumptions to determine the fair value less costs to sell and value in use. Fair value less costs to sell is based on the best information available to management that reflects the amount that the Commission could obtain at year end, from the disposal of the asset in an arms length transaction with a market participation in its principal market, after deducting the costs of disposal. Value in use is based on the key assumptions on which management has in its determination.

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Impairment of non-cash generating assets

The Commission assesses at each reporting date whether there is any indication that an asset maybe impaired. If any such indication exists, the Commission estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash generating unit to which the asset belongs is determined.

The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use. The value in use for non-cash generating asset is the present value of the asset's remaining service potential.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Management assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amount of those assets is estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Provisions

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 10 - Provisions.

Contingent liabilities

The Commission is involved in a number of legal case proceedings that form part of the nature of operations of the entity. Due to inherent uncertainties precipitated by the nature of the cases, no accurate quantification of any cost, or timing of such cost, which may arise from any of legal proceedings can be made.

Lease classification

Management uses judgment in assessing whether an arrangement is or contains a lease based on the substance of the arrangement at inception date of whether the fulfillment of the arrangement is dependent on the use of the specific asset or the arrangement conveys a right to use the asset. Management assesses the conditions listed below in each lease contract (using GRAP 13) to classify a lease as a finance or operating lease.

In order to make the determination as to whether a lease is a finance lease, the Commission considers several variables (non-exhaustive) and applies judgement to the assessment of whether any of the conditions noted hereunder using the guidance of GRAP 13. These include but are not limited to:
- Transfer ownership
- Remaining economic life of the asset
- The expected term of the lease
- Fair value of the underlying asset

The Commission did not establish any lease agreements during the current financial year.

Useful lives of tangible and intangible assets

The Commission's management determines the estimated useful lives and related depreciation charges for property, plant and equipment and intangible assets. This estimate is based on the industry norms. Management will increase the depreciation or amortisation charge where useful lives are less than previously estimated useful lives.

Significant Accounting Policies

1.4 Significant judgements and sources of estimation uncertainty (continued)

Performance bonus

Performance bonus to employees and management is determined based on the performance of the Commission subject to availability of funds. This bonus is at management's discretion and is decided annually. The bonus is based on performance and is evaluated using a rating method on an annual basis.

Trade receivables (impairment of financial assets)

The Commission assesses its trade receivables for impairment at the end of each reporting period. In determining whether the loss should be recorded in profit or loss, the Commission makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from the financial asset.

Impairment of cash generating assets

The Commission assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, the Commission estimates the recoverable amount of the individual asset.

If there is any indication that the asset may be impaired, the recoverable amount is estimated for the individual asset. If it is not possible to estimate the recoverable amount of the individual asset, the recoverable amount of the cash-generating unit to which the asset belong is determined.

The best evidence of fair value less costs to sell is the price in a binding agreement in an arms length transaction, adjusted for the incremental costs that would be directly attributable to the disposal of the asset.

The recoverable amount of an asset or a cash generating unit is the higher of its fair value less costs to sell and its value in use.

If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. That reduction is an impairment loss.

An impairment loss of assets carried at cost less any accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

Significant Accounting Policies

1.5 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:
- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and fittings	Straight-line	12 - 25 years
Motor vehicles	Straight-line	5 - 15 years
Office equipment	Straight-line	8 - 20 years
IT equipment	Straight-line	
• Computer equipment		3 - 21 years
• Servers		5 - 9 years
• GPS		3 - 14 years
Leasehold improvements	Straight-line	3 years
Cellphones	Straight-line	2 - 6 years
Leased assets	Straight-line	Period of the lease

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

The Commission assesses at each reporting date whether there is any indication that the Commission expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the Commission revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The Commission separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 7).

1.6 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The Commission assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	3 - 21 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is included in surplus or deficit when the asset is derecognised (unless the Standard of GRAP on leases requires otherwise on a sale and leaseback).

1.7 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Financial instruments are recognised when the Commission becomes a party to the contractual provision of the instrument. These financial instruments are initially measured at fair value plus transaction costs, except for those financial instruments that are classified at fair value through profit or loss.

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

Derecognition is the removal of a previously recognised financial asset or financial liability from an Commission's statement of financial position.

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability (or group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Commission shall estimate cash flows considering all contractual terms of the financial instrument (for example, prepayment, call and similar options) but shall not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate (see the Standard of GRAP on Revenue from Exchange Transactions), transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, in those rare cases when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the Commission shall use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction.

1.7 Financial instruments (continued)

A financial asset is:
- cash;
- a residual interest of another entity; or
- a contractual right to:
  - receive cash or another financial asset from another entity; or
  - exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity.

A financial liability is any liability that is a contractual obligation to:
- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities under conditions that are potentially unfavourable to the entity.

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Liquidity risk is the risk encountered by an Commission in the event of difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

Loans payable are financial liabilities, other than short-term payables on normal credit terms.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

A financial asset is past due when a counterparty has failed to make a payment when contractually due.

A residual interest is any contract that manifests an interest in the assets of the Commission after deducting all of its liabilities. A residual interest includes contributions from owners, which may be shown as:
- equity instruments or similar forms of unitised capital;
- a formal designation of a transfer of resources (or a class of such transfers) by the parties to the transaction as forming part of an Commission’s net assets, either before the contribution occurs or at the time of the contribution; or
- a formal agreement, in relation to the contribution, establishing or increasing an existing financial interest in the net assets of the Commission.

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Subsequent measurement of financial assets and financial liabilities

The subsequent measurement of financial instruments is stated below:

The Commission classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Receivables from exchange transactions

Trade and other receivables classified as financial assets are measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

Cash and cash equivalents

Significant Accounting Policies

1.7 Financial instruments (continued)

Cash and cash equivalents comprise cash on hand, on deposit and other short-term readily realisable liquid instruments. Cash and cash equivalents that have been classified as loans and receivables are initially recognised at fair value and subsequently at amortised cost.

Payables from exchange transactions

Trade and other payables are classified as liabilities at fair value.

Offsetting

Financial assets and financial liabilities are set-off against each other and the net amount presented in the Statement of Financial Position when the Commission has a legal right to set-off the amounts and intends to settle on a net basis to realise the asset and settle the liability simultaneously.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each end of the reporting period. The financial assets are impaired where there is objective evidence that, as a result of one or more events that have occurred after the initial recognition of the financial asset, the estimated future cash flows of the asset have been impacted. Impairment losses are recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. Reversal of impairment losses are recognised in profit or loss.

Derecognition

Financial assets are derecognised if the Commission's contractual rights to the cash flows from the financial assets expire or if the Commission transfers the financial assets to another party without retaining control, or transfers substantially all the risks and rewards of the asset. Financial liabilities are derecognised if the Commission's obligations specified in the contract expire or are discharged or cancelled.

Classification

The Commission has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	**Category**
Cash and cash equivalents	Financial asset measured at fair value
Sundry receivables	Financial asset measured at fair value

The Commission has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	**Category**
Payables from exchange transactions	Financial liability measured at fair value

1.8 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

1.8 Leases (continued)

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

1.9 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the first-in, first-out (FIFO) formula. The same cost formula is used for all inventories having a similar nature and use to the Commission.

1.10 Employee benefits

Identification

Employee benefits

Employee benefits are all forms of consideration given by the Commission in exchange for service rendered by employees or for the termination of employment.

Post-employment benefits are employee benefits (other than termination benefits and short-term employee benefits) that are payable after the completion of employment.

Other long-term employee benefits are all employee benefits other than short-term employee benefits, post-employment benefits and termination benefits.

Termination benefits are employee benefits provided in exchange for the termination of an employee’s employment as a result of either:
(a) a Commission’s decision to terminate an employee’s employment before the normal retirement date; or
(b) an employee’s decision to accept an offer of benefits in exchange for the termination of employment.

Significant Accounting Policies

1.10 Employee benefits (continued)

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:
- wages, salaries and social security contributions
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service
- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the Commission recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The Commission measures the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Commission recognises the expected cost of bonus, incentive and performance related payments when the Commission has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

1.11 Provisions and contingencies

Provisions are recognised when:
- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

1.11 Provisions and contingencies (continued)

Provisions are not recognised for future operating surplus.

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 28.

1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments represent goods and services that have been ordered, but no delivery has taken place at the reporting date. These amounts are not recognised in the statement of financial position as a liability or as expenditure in the statement of financial performance as the Annual Financial Statements are prepared on an accrual basis of accounting, but are however disclosed in the Notes to the Annual Financial Statements.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the Commission receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

The Commission's revenue from exchange transactions is generated revenue from fees payable to the Commission in terms of the Competition Act being mergers and acquisitions as well as exemptions.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm’s length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

The amount of revenue arising on a transaction which is statutory (non-contractual) in nature is usually measured by reference to the relevant legislation, regulation or similar means. The fee structure, tariffs or calculation basis specified in legislation, regulation or similar means is used to determine the amount of revenue that should be recognised. This amount represents the fair value, on initial measurement, of the consideration received or receivable for revenue that arises from a statutory (non-contractual) arrangement (see the accounting policy on Statutory Receivables).

1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by the Commission, which represents an increase in net assets, other than increases relating to contributions from owners.

Fines are economic benefits or service potential received or receivable by entities, as determined by a court or other law enforcement body, as a consequence of the breach of laws or regulations.

Significant Accounting Policies

1.14 Revenue from non-exchange transactions (continued)

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Commission either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the Commission satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.15 Investment income

Investment income is recognised on a time-proportion basis using the effective interest method.

1.16 Accounting by principals and agents

Identification

An agent is an entity that has been directed by another entity (a principal), through a binding arrangement, to undertake transactions with third parties on behalf of the principal and for the benefit of the principal.

A principal is an entity that directs another entity (an agent), through a binding arrangement, to undertake transactions with third parties on its behalf and for its own benefit.

A principal-agent arrangement results from a binding arrangement in which one entity (an agent), undertakes transactions with third parties on behalf, and for the benefit of, another entity (the principal).

The Commission collects penalties imposed by the Competition Tribunal under the Competition Act and remits them to the National Revenue Fund through the Department of Trade, Industry and Competition (DTIC).

Significant Accounting Policies

1.16 Accounting by principals and agents (continued)

Identifying whether an entity is a principal or an agent

When the entity is party to a principal-agent arrangement, it assesses whether it is the principal or the agent in accounting for revenue, expenses, assets and/or liabilities that result from transactions with third parties undertaken in terms of the arrangement.

The assessment of whether an entity is a principal or an agent requires the entity to assess whether the transactions it undertakes with third parties are for the benefit of another entity or for its own benefit.

Binding arrangement

The entity assesses whether it is an agent or a principal by assessing the rights and obligations of the various parties established in the binding arrangement.

Where the terms of a binding arrangement are modified, the parties to the arrangement re-assess whether they act as a principal or an agent.

Assessing which entity benefits from the transactions with third parties

When the entity in a principal-agent arrangement concludes that it undertakes transactions with third parties for the benefit of another entity, then it is the agent. If the entity concludes that it is not the agent, then it is the principal in the transactions.

The entity is an agent when, in relation to transactions with third parties, all three of the following criteria are present:
- It does not have the power to determine the significant terms and conditions of the transaction.
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit.
- It is not exposed to variability in the results of the transaction.

Where the entity has been granted specific powers in terms of legislation to direct the terms and conditions of particular transactions, it is not required to consider the criteria of whether it does not have the power to determine the significant terms and conditions of the transaction, to conclude that is an agent. The entity applies judgement in determining whether such powers exist and whether they are relevant in assessing whether the entity is an agent.

1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year. Refer to note 27.

1.18 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

Fruitless and wasteful expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to fruitless and wasteful expenditure incurred in the current financial year, with a one previous financial year comparative analysis.

Fruitless and wasteful expenditure for previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:
(a) fruitless and wasteful expenditure incurred and confirmed in the previous financial year;
(b) fruitless and wasteful expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
(c) fruitless and wasteful expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.

Additional information relating to fruitless and wasteful expenditure under assessment, determination, investigations, narratives and a process of dealing with the concerned fruitless and wasteful expenditure must be recorded in the annual report of the Commission.

Significant Accounting Policies

1.18 Fruitless and wasteful expenditure (continued)

Fruitless and wasteful expenditure must be recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of fruitless and wasteful expenditure incurred and confirmed in that current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Irregular expenditure

Irregular expenditure as defined in section 1 of the PFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including-
(a) this Act; or
(b) the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
(c) any provincial legislation providing for procurement procedures in that provincial government.

Irregular expenditure is accounted for in line with all relating requirements, including, but not limited to, ruling Legislation, Regulations, Frameworks, Circulars, Instruction Notes, Practice Notes, Guidelines etc (as applicable).

For determining whether irregular expenditure occurred, the following must be present:
(a) expenditure incurred in contravention of, or not in accordance with legislation; and
(b) expenditure must have been recognised in the statement of financial performance or liability recognised in the statement of financial position (where expenditure is not reflected in the statement of financial performance) in a case of institutions that are required to comply with Standards of Generally Recognised Accounting Practice (GRAP). The earlier of an invoice or payment will trigger irregular expenditure for these transactions.

Irregular expenditure when incurred and confirmed is recorded in the annual financial statements disclosure. This relates to irregular expenditure incurred in the current financial year, with a one financial year comparative analysis.

Irregular expenditure for the previous financial year (comparative amounts) must be recognised in the period in which they occurred as follows:
(a) irregular expenditure incurred and confirmed in the previous financial year;
(b) irregular expenditure that was under assessment in the previous financial year and confirmed in the current financial year; and
(c) irregular expenditure that was not discovered in the previous financial year and identified and confirmed in the current financial year.
(d) irregular expenditure payments relating to multi-year contracts that was not condoned or removed.

Additional information relating to irregular expenditure under assessment, determination, investigation, narratives, and the process of dealing with the irregular expenditure must be recorded in the annual report of the Commission.

Irregular expenditure is recorded in the notes to the financial statements when confirmed after its assessment. The amount recorded is equal to the value of irregular expenditure incurred and confirmed in that current financial year unless it is impractical to determine, in which case reasons must be provided in the annual report.

1.20 Budget information

The Commission is typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

General purpose financial reporting by the Commission shall provide information on whether resources were obtained and used in accordance with the legally adopted budget.

The approved budget is prepared on an accrual basis and presented by functional classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 01-Apr-24 to 31-Mar-25.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period has been included in the Statement of comparison of budget and actual amounts.

Significant Accounting Policies

1.20 Budget information (continued)

The Statement of comparative and actual information has been included in the annual financial statements as the recommended disclosure when the annual financial statements and the budget are on the same basis of accounting as determined by National Treasury.

Comparative information is not required.

1.21 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Management are those persons responsible for planning, directing and controlling the activities of the Commission, including those charged with the governance of the Commission in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the Commission.

The Commission is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the Commission to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

Where the Commission is exempt from the disclosures in accordance with the above, the Commission discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

1.22 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The Commission will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The Commission will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.23 Penalties and settlements

In terms of section 59(1) of the Competition Act, the Competition Tribunal may impose an administrative penalty in terms of an order, which is collected by the Commission and in terms of section 59(4) of the Competition Act must be paid over to the National Revenue Fund.

In terms of section 49D of the Competition Act, the Commission and a respondent may agree on the terms of an appropriate order, which the Competition Tribunal may confirm as a consent order in terms of section 58(1)(b). The consent order may contain a settlement amount which is collected by the Commission which in terms of section 59(4) of the Competition Act must be paid over to the National Revenue Fund.

The accepted practice of the National Treasury is that no monies are paid directly to the National Revenue Fund but rather they are paid via a specific department to which the entity reports. In the case of the settlement amounts or administrative penalties, the Commission pays the monies to the DTIC who in turn must pay the monies over to the National Revenue Fund.

Significant Accounting Policies

1.23 Penalties and settlements (continued)

The consent orders and orders of the Tribunal may allow the respondents to pay the settlement amount or the administrative penalty over more than one financial year of the Commission. The situation therefore results in outstanding amount/s due to the National Revenue Fund which will be collected by the Commission.

In terms of section 40(1) of the Competition Act, the settlement amounts and the administrative penalties are not listed as a source of finance for the Commission nor are the amounts of revenue defined in terms of GRAP 23. As such these amounts are not recognised in the statement of financial performance. Furthermore, the outstanding amounts do not meet the liability definition in terms of GRAP 1 and are therefore not recognised in the statement of financial position of the Commission.

Penalties levied and received

The statement of financial position includes a financial asset and a liability relating to penalties levied and received. The financial asset and liability will be same amount and are shown as "Cash and cash equivalents held on behalf of the DTIC" and "Penalties payable to the DTIC" respectively in the statement of financial position.

For penalties levied but not yet received

Penalties levied but not yet received do not meet the requirements of a financial asset and a liability in terms of GRAP 104 and accordingly are not presented in the statement of financial position.

	2025 R '000	2024 R '000

2. New standards and interpretations

2.1 Standards and interpretations issued, but not yet effective

The Commission has not applied the following standards and interpretations, which have been published and are mandatory for the Commission's accounting periods beginning on or after April 1, 2025 or later periods. The standards that are not relevant to the Commission's operations are not included in the list below:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 107 (as revised) Mergers	Not yet determined by the Minister of Finance.	The Commission is yet to review and assess the impact if any
• The Application of Materiality to Financial Statements	The Guideline is not authoritative, but entities are encouraged to consider it when preparing financial statements	Unlikely there will be a material impact
• GRAP 105 Transfer of Functions Between Entities Under Common Control	April 1, 2099	Unlikely there will be a material impact
• GRAP 2023 Improvements to the Standards of GRAP 2023	Not yet determined by the Minister of Finance.	Likely to impact the Commission
• GRAP 1 (amended): Presentation of Financial Statements (Going Concern)	Not yet determined by the Minister of Finance.	Unlikely there will be a material impact
• GRAP 103 (amended): Heritage Assets	April 1, 2099	Unlikely there will be a material impact
• iGRAP 22 Foreign Currency Transactions and Advance Consideration	April 1, 2025	Unlikely there will be a material impact
• GRAP 104 (as revised): Financial Instruments	April 1, 2025	Unlikely there will be a material impact

3. Inventories

	2025	2024
Consumable stores	447	495
Inventories recognised as an expense during the year	-	589

4. Receivables from exchange transactions

	2025	2024
Prepaid expenses	3,020	3,252
Sundry debtors	2,481	1,395
	5,501	**4,647**
Sundry debtors is made up of the following:		
Accrued interest	771	1,005
Other	1,710	390
	2,481	**1,395**
Total receivables from exchange transactions	5,501	4,647

None of the trade and other receivables are pledged as security.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

5. Penalties receivable and payable to DTIC

Opening balance	16,031	11,977
Penalties collected	77,010	177,711
Less: Amount paid to DTIC	(79,564)	(173,524)
Less: Refunds	-	(133)
	13,477	**16,031**

An amount of R77.010 million was collected in the current financial year and R79.564 million was paid over to the DTIC as at 31 March 2025. The balance of R13.477 million (2024: R16.031 million) is still to be paid over to the DTIC in the next financial year. The penalties payable are held in the Commission's bank account and are represented by cash and cash equivalents held on behalf of the DTIC disclosed under current assets on the statement of financial position.

Outstanding penalties amount at beginning of the year	679,411	743,116
Add: Amounts of settlements and penalties levied by the Competition Tribunal	47,144	117,818
Less: Amounts collected by the Competition Commission	(77,010)	(177,712)
(Less)/add: Adjustments and interest levied	2,373	(3,811)
	651,918	**679,411**

Section 64(3) of the Competition Act states that proceedings under subsection (2) may not be initiated more than three (3) years after the imposition of the administrative penalty. A total of R47.144 million (2024: R117.818 million) was levied by the Competition Tribunal in the current financial year.

Adjustments and interest levied balance for R2.373 million relates to interest accrued and paid on penalties as well unidentified receipts in prior years confirmed in the current year.

The closing balance of R651.918 million as at 31 March 2025, included a total amount of R633.977 million of which fined entities are behind the agreed payment terms. This may result in a material loss to the National Revenue Fund. Management has effected collection processes to recover the outstanding amounts in default. Some of the defaulters have requested a deferral payment arrangement due to financial challenges and those requests are being considered by Management.

The penalties collected by the Commission on behalf of the DTIC are disclosed in the statement of financial position under current assets and liabilities as cash and cash equivalents held on behalf of DTIC and penalties payable to DTIC respectively. The Commission does not have additional resources held on behalf of the DTIC other than the disclosed.

6. Cash and cash equivalents

Cash and cash equivalents consist of:

Bank balances	186,751	217,747
Cash on hand	14	17
	186,765	**217,764**

Credit quality of cash at bank and short term deposits, excluding cash on hand

The credit quality of cash at bank and short term deposits, excluding cash on hand that are neither past due nor impaired can be assessed by reference to external credit ratings (if available) or historical information about counterparty default rates: None of the financial institutions with which bank balances are held defaulted in the prior periods and as a result a credit rating of high was ascribed by the financial institutions. The entity’s maximum exposure to credit risk as a result of the bank balances held is limited to the carrying value of these balances as detailed above. All the bank balances are held with two banking institution which reduces the related banking risk.

Figures in Rand thousand

7. Property, plant and equipment

	2025			2024		
	Cost	Accumulated depreciation and accumulated impairment	Carrying value	Cost	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fittings	10,746	(3,802)	6,944	5,808	(3,271)	2,537
Motor vehicles	2,224	(1,018)	1,206	2,224	(893)	1,331
Office equipment	4,678	(2,979)	1,699	4,655	(2,672)	1,983
Computer equipment	24,444	(11,609)	12,835	18,232	(7,941)	10,291
Leasehold improvements	2,379	(94)	2,285	34	(18)	16
Cellphones	281	(112)	169	237	(85)	152
Leased assets	55	(54)	1	2,239	(2,233)	6
Total	**44,807**	**(19,668)**	**25,139**	**33,429**	**(17,113)**	**16,316**

Reconciliation of property, plant and equipment - 2025

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Furniture and fittings	2,537	4,949	-	(540)	(2)	6,944
Motor vehicles	1,331	-	-	(125)	-	1,206
Office equipment	1,983	185	-	(440)	(29)	1,699
Computer equipment	10,291	6,616	(71)	(3,895)	(106)	12,835
Leasehold improvements	16	2,345	-	(76)	-	2,285
Cellphones	152	83	(26)	(40)	-	169
Leased assets	6	-	-	(5)	-	1
	16,316	**14,178**	**(97)**	**(5,121)**	**(137)**	**25,139**

Figures in Rand thousand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fittings	2,907	-	-	(370)	2,537
Motor vehicles	1,298	159	-	(126)	1,331
Office equipment	1,838	623	-	(478)	1,983
Computer equipment	10,594	1,863	(101)	(2,065)	10,291
Leasehold improvements	27	-	-	(11)	16
Cellphones	191	-	-	(39)	152
Leased assets	193	-	-	(187)	6
	17,048	**2,645**	**(101)**	**(3,276)**	**16,316**

Pledged as security

None of the property, plant and equipment is pledged as security. There are no future contractual commitments for acquisition of property, plant and equipment.

None of the property, plant and equipment was sold, the assets were scrapped as disposal method during the financial year.

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure as included in Statement of Financial Performance		
Repairs and maintenance	1,310	461

Notes to the Annual Financial Statements

Figures in Rand thousand

8. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, internally generated	6,131	(5,112)	1,019	6,131	(4,041)	2,090

Reconciliation of intangible assets - 2025

	Opening balance	Amortisation	Total
Computer software, internally generated	2,090	(1,071)	1,019

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, internally generated	3,261	(1,171)	2,090

Pledged as security

None of the intangible assets are pledged as security. There are no future contractual commitments for acquisition of intangible assets.

	2025 R '000	2024 R '000

9. Payables from exchange transactions

	2025	2024
Trade payables	22,174	30,773
Sundry payables	1,627	497
Accrued expenses	12,148	14,295
Operating lease payables	1,004	-
	36,953	**45,565**

10. Provisions

Reconciliation of provisions - 2025

	Opening Balance	Additions	Utilised during the year	Total
Legal proceedings	1,513	-	-	1,513
Leave provision	15,952	24,039	(20,889)	19,102
Performance bonus	22,000	20,000	(17,906)	24,094
	39,465	**44,039**	**(38,795)**	**44,709**

Legal proceedings provisions

The balance pertains to a potential claim related to costs for reinstating the premises after vacating them. This claim is in dispute, as the Commission confirmed that the premises were reinstated and handed over to the landlord shortly after vacating them.

Leave provision

The Commission does not have an unconditional right to defer settlement of its leave liabilities. The policy stipulates that the leave is forfeited if not used within 6 months after the reporting date, however leave is paid out when the employee is terminated.

Performance bonus

Employees sign performance contracts as part of their conditions of service at the beginning of each financial year. Employees are assessed bi-annually. The amount is dependent on the outcome of the individual performance evaluations and it is at the discretion of management, subject to the availability of funds.

The Institutional Moderation Committee (IMC) will look at overall performance at institutional level and ensure there is alignment between rating of performance of the institution in the APP and Non-APP Targets and the rating of the average individual scores for the institution, where there is a difference between the two scores, the IMC should resolve this.
The Committee will ensure that:

- The evaluation process is holistic in its consideration of all APP and Non-APP targets;
- There is an alignment of overall Commission performance with divisional performance
- Performance is evaluated in a consistent way across all divisions;
- The integrity of the system is protected.

The Committee will communicate its decisions to Employees via Divisional Managers. The Committee will hear appeals from employees on recommendations of the Divisional Moderation Committees. The Committee must review reports of DMCs and agree on employees at the Commission that are considered Best performers, employees that are considered Middle Performers and employees that are considered Worst Performers.

11. Lease rentals on operating lease

	2025	2024
Premises		
Contractual amounts	22,352	11,966

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

12. Fees earned

Fees earned	72,053	59,808

13. Other income

Insurance recovered	94	145
Refunds, SETA grant and recoveries	1,855	1,020
Other income	26	-
	1,975	**1,165**

14. Interest received

Interest revenue		
Interest received on short term deposits	18,505	44,437

15. Government grants & subsidies

Operating grants		
Government grants and subsidies	426,193	407,875

The Commission receives an operational grant allocation from the DTIC in instalments or as once off amount of the total allocation. The current year grant was received in four (4) equal quarterly instalments.

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

16. Employee related costs

Basic	280,418	261,660
Bonus	20,000	15,722
Medical aid - company contributions	12,475	11,527
Group life and pension administration	5,648	4,965
Cell phone and data allowance	7,027	6,947
Other staff related costs	16,442	13,914
	342,010	**314,735**

Remuneration of the accounting authority

Basic	2,145	2,178
Medical aid	319	286
Group life and pension administration	50	49
Cell phone and data allowance	36	36
Other staff related costs	77	112
	2,627	**2,661**

Remuneration of executive committee

Basic	25,380	23,408
Medical aid	1,111	1,022
Performance Bonuses	1,616	2,244
Group life and pension administration	472	444
Cell phone and data allowance	460	491
Other staff related costs	378	1,167
	29,417	**28,776**

Remuneration of other employees

Basic	245,224	235,594
Medical aid	11,020	10,219
Performance Bonuses	16,290	18,078
Group life and pension administration	5,086	4,472
Cell phone and data allowance	5,981	6,420
Other staff related costs	3,886	12,659
Other	22,479	-
	309,966	**287,442**

17. Administrative expenditure

General and administrative expenses	4,187	2,929
Auditors remuneration - external audit fees	2,371	2,016
	6,558	**4,945**

18. Finance costs

Leased assets (photocopiers)	-	3

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

19. Operating expenses

	2025 R '000	2024 R '000
Audit and risk and remuneration committee fees	528	651
Advertising	1,560	973
Internal audit fees	1,154	1,023
Consulting and professional fees	92,736	76,637
Case related costs - legal fees	20,474	32,202
Research and development costs	949	581
Security	1,258	1,438
Software expenses	1,945	5,012
Subscriptions and membership fees	1,296	2,213
Training	1,081	394
Travel and accommodation	6,140	9,516
Education and awareness	19,136	11,727
Maintenance, repairs and running costs	7,545	8,425
Publications	367	1,527
Meeting refreshments	1,201	1,735
Workshops	2,474	2,252
Other expenses	556	891
	160,400	**157,197**

20. Cash (used in) generated from operations

	2025 R '000	2024 R '000
(Deficit) surplus	(19,070)	19,451
Adjustments for:		
Depreciation and amortisation	6,193	4,448
Loss on disposal of assets	97	102
Impairment deficit	138	-
Movements in provisions	5,244	(1,216)
Inventory losses or write-downs	(48)	(439)
Other non-cash items - finance lease	-	436
Changes in working capital:		
Inventories	48	575
Receivables from exchange transactions	(854)	(1,489)
Payables from exchange transactions	(8,569)	11,429
	(16,821)	**33,297**

Notes to the Annual Financial Statements

	2025 R '000	2024 R '000

21. Commitments

Authorised operational expenditure

	2025 R '000	2024 R '000
Approved and contracted for		
• Existing contracts - goods and services	36,712	26,925
Approved and not yet contracted for		
• Purchase orders - goods and services	83,343	85,748
Total operational commitments		
Approved and contracted for	36,712	26,925
Approved and not yet contracted for	83,343	85,748
Total commitments	**120,055**	**112,673**

This committed expenditure relates to multiple service contracts entered into by the Commission and will be financed by the available cash reserves.

Operating leases - as lessee (expense)

	2025 R '000	2024 R '000
Minimum lease payments due		
- within one year	23,045	21,797
- in second to fifth year inclusive	24,368	47,413
	47,413	**69,210**

Operating lease payments represent rentals payable by the Commission for its office space. Leases are negotiated for an average term of three (3) years and rentals are fixed for an average of three years. No contingent rent is payable.

The lease rental for Block C was extended in the prior financial year for a period of 36 months effective 22 March 2024 ending 21 March 2027.

The Commission has entered into a new operating lease for the rental of additional office space in Block G at the DTIC campus. The period of the lease is three (3) year commenced at 01 April 2024 ending 31 March 2027 with annual escalation of 7% on basic rental and parking.

	2025 R '000	2024 R '000

22. Related parties

Relationships	
The Department of Trade, Industry and Competition	Executive authority
The Competition Tribunal	Public entity in the national sphere
Public Investment Corporation	Public entity in the national sphere
Safety and Security Sector Education and Training Authority (SASSETA)	Public entity in the national sphere
Members of key management	Members of the executive committee

Related party balances

Amounts included in trade receivables (trade payables) regarding related parties		
The Competition Tribunal	(990)	(1,360)
The Department of Trade, Industry and Competition	(927)	(890)
Public Investment Corporation	(872)	(872)
The Department of Trade, Industry and Competition - Penalties	(13,477)	(16,031)

Related party transactions

The Department of Trade, Industry and Competition		
Rental expense	11,118	10,559
Telephone and internet costs	25	38
Government grant received	426,193	407,875
Penalties collected on behalf of and transferred to related parties	79,564	173,524
The Competition Tribunal		
Filing fees	18,257	15,461
Facility fees	728	728
Other	-	9
Safety and Security Sector Education and Training Authority		
Mandatory grant	526	529

Remuneration of management

Management class: Executive management

2025

Name	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Commissioner - Ms D Tshepe	2,550	-	77	2,627
Deputy Commissioner - Mr H Ratshisusu	2,932	242	96	3,270
Company Secretary - Mr M Msibi	1,896	110	20	2,026
Divisional Manager: Office of the Commission - Mr A Gwabeni	2,925	213	37	3,175
Divisional Manager: Mergers and Acquisition - Ms T Mokoka	2,382	132	24	2,538
Divisional Manager: Market Conduct - Ms M Ramokgopa	2,310	134	24	2,468
Divisional Manager: Economic Research Bureau - Mr J Hodge	3,723	213	55	3,991
Divisional Manager: Cartels - Mr M Mohlala	2,634	153	33	2,820
Divisional Manager: Corporate Service Division - Mr M George	2,562	149	26	2,737
Chief Finance Officer - Mr A Moledi	2,334	57	25	2,416
Divisional Manager: Legal Services - Mr B Majenge	3,724	214	38	3,976
Acting Divisional Manager: Market Inquiry - Mr I Lesofe *	106	-	2	108

2025 R '000
2024 R '000

22. Related parties (continued)

	30,078	**1,617**	**457**	**32,152**

* Appointed to act effective 01 January 2025.

2024

Name	Basic salary	Bonuses and performance related payments	Other benefits received	Total
Commissioner - Ms D Tshepe	2,549	-	112	2,661
Deputy Commissioner - Mr H Ratshisusu	2,733	271	106	3,110
Company Secretary - Mr M Msibi	1,780	117	19	1,916
Divisional Manager: Office of the Commission - Mr A Gwabeni	2,461	238	26	2,725
Divisional Manager: Mergers and Acquisition - Ms T Mokoka	2,149	213	36	2,398
Divisional Manager: Market Conduct - Ms M Ramokgopa	2,167	143	32	2,342
Divisional Manager: Economic Research Bureau - Mr J Hodge	2,630	238	34	2,902
Divisional Manager: Advocacy - Ms K Qobo (resigned 13 November 2023)	1,696	238	20	1,954
Divisional Manager: Cartels - Mr M Mohlala	2,470	245	34	2,749
Divisional Manager: Corporate Service Division - Mr M George	2,406	159	25	2,590
Chief Finance Officer - Mr A Moledi	2,140	141	22	2,303
Divisional Manager: Legal Services - Mr B Majenge	2,630	240	28	2,898
Acting Divisional Manager: Mergers and Acquisitions - Mr W Gumbie	103	-	-	103
	27,914	**2,243**	**494**	**30,651**

** Appointed to act effective 07 November 2023

R '000

23. Risk management

Liquidity risk

The Commission's risk to liquidity is a result of the funds available to cover future commitments. The Commission manages liquidity risk by monitoring forecasted cashflows and ensuring that the necessary funds are available to meet any commitments which may arise. Cash which is not utilised is immediately invested in the Corporate for Public Deposits and call accounts.

At March 31, 2025	**Carrying amount**		**Contractual cashflow within one year**	**Contractual cashflow between two and five years**
Payables from exchange transactions	36,953	-	36,953	-

At March 31, 2024	**Carrying amount**		**Contractual cashflow within one year**	**Contractual cashflow between two and five years**
Payables from exchange transactions	45,565	-	45,565	-

At March 31, 2025	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
• Cash and cash equivalents	186,765	-	-	-
• Receivables from exchange transactions	2,481	-	-	-

At March 31, 2024	**Less than 1 year**	**Between 1 and 2 years**	**Between 2 and 5 years**	**Over 5 years**
• Cash and cash equivalents	217,764	-	-	-
• Receivables from exchange transactions	1,395	-	-	-

Credit risk

The Commission trades only with recognised, creditworthy third parties. In addition, receivable balances are monitored on an ongoing basis with the result that the Commission's exposure to bad debts is not significant. The maximum exposure is the carrying amounts as disclosed. There is no significant concentration of credit risk within the Commission. With respect to credit risk arising from the other financial assets of the Commission, which comprise cash and cash equivalents, the Commission's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. The Commission's cash and cash equivalents are placed with high credit quality financial institutions therefore the credit risk with respect to cash and cash equivalents is low. Trade and other receivables are not rated.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Cash and cash equivalents	186,765	217,764
Receivables from exchange transactions	2,481	1,395

Market risk

Market risk is the risk that changes in the market prices, such as the interest rates which will affect the value of the financial assets of the Commission. The Commission is not exposed to market risk.

23. Risk management (continued)

Interest rate risk

As the Commission has no significant interest-bearing assets, the Commission’s income and operating cash flows are substantially independent of changes in market interest rates.

The Commission is exposed to interest rate changes in respect of returns on its investments with financial institutions and interest payable on finance leases contracted with outside parties

The Commission's exposure to interest risk managed by investing, on a short term basis, in the current accounts and the Corporation for Public Deposits.

24. Going concern

We draw attention to the fact that at March 31, 2025, the Commission had an accumulated surplus of R 139,178 and that the Commission's total assets exceed its liabilities by R 137,209.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the Commission to continue as a going concern is dependent on a number of factors. The most significant of these is that the DTIC continue to provide funding for the ongoing operations for the Commission.

25. Events after the reporting date

No events identified to be reported.

26. Irregular expenditure and fruitless and wasteful expenditure

	2025 R '000	2024 R '000
Irregular expenditure	-	773

No irregular expenditure and fruitless and wasteful expenditure that has been identified and confirmed in the current financial year.

Investigations into three (3) cases from the 2023/24 financial year and one (1) case from 2022/23 were concluded during the current financial year. Corrective action, in line with the Disciplinary Policy, has been recommended for two (2) of the cases. No corrective action was taken in the remaining two (2) cases, as the implicated employees have since left the employ of the Commission.

27. Budget differences

Changes from the approved budget to the final budget

The changes between the approved and final budget are a consequence of reallocations within the approved budget parameters as well as the allocation of the approved cash surplus funds by the National Treasury.

Fee income

The variance is mainly due to much higher merger fees collected than anticipated.

Interest received

This is mainly due to the Commission receiving the government grant in quarterly tranches as opposed to full allocation as it used to be in the prior years. This impacted the budget as it was anticipated that the grant will be received in full at the beginning of the financial year, therefore influenced the Commission’s ability to generate interest throughout the year. Additionally, the frequent payment of suppliers on a daily basis to meet the Commission's 20-day target has impacted cash balances in our short-term investments, as withdrawals are necessary to facilitate supplier payments.

	2025 R '000	2024 R '000

27. Budget differences (continued)

Administrative expenses

Actual spending is below budget mainly due to procurement of cleaning and security services that could not be finalised as the tenders had to undergo probity review by the Internal Audit.

Operating expenses

Spending is below budget, primarily due to case related and other operational costs that were funded through the approved committed surplus.

28. Contingent assets and liabilities

Cases before the courts with potential costs to be awarded against the Commission.

	2025 R '000	2024 R '000
	17,002	16,252

There are pending cases before the courts emanating from ongoing investigations by the Commission. The outcome thereof may result in legal costs awarded against the Commission. The estimated amount of possible cost awards and/or claims of the pending cases is R17.002 million, however for some of cases the costs are unknown and were not yet confirmed at the reporting date.

Surplus funds

In terms of Section 53 (3) of the PFMA, public entities listed in Schedule 3A and 3C to the PFMA may not retain cash surpluses that were realized in the previous financial year without obtaining the prior written approval of National Treasury. National Treasury issued Instruction No.12 of 2020/2021 to repeal the National Treasury Instruction No.6 of 2017/2018 on the retention of cash surpluses. This new Treasury Instruction takes effect from the date of signature for surpluses realized in the 2019/2020 financial year and for all surpluses realised thereafter. According to this Treasury Instruction the surplus is based on cash and cash equivalents plus receivables less current liabilities at the end of the financial year. The Commission is expecting to retain the 2024/2025 financial year's surplus in it's entirety.

During the year the Commission submitted the request for retention of surplus funds as determined in terms of the Instruction note mentioned above for the 2023/2024 financial year and received approval by the National Treasury for an amount of R137.381 million.