

ECONOMIC DEVELOPMENT DEPARTMENT

NO. 831

31 JULY 2020

**CALL FOR SUBMISSIONS ON THE FINDINGS AND PROPOSALS OF
THE FORESTRY SECTOR IMPACT ASSESSMENT****JULY 2020****1. BACKGROUND**

Section 21A of the Competition Act, No. 89 of 1998 (as amended) (“the Act”) provides for the Competition Commission (“Commission”) to conduct an impact study of any decision, ruling or judgement of the Commission, the Competition Tribunal (“Tribunal”) or the Competition Appeal Court (“CAC”).

In line with this, the Commission conducted an impact assessment of its cumulative decisions in the forestry sector. Specifically, the study assessed the impact of vertical integration on security of supply and the ability for non-vertically integrated players and smaller vertically integrated players’ ability to access logs. The study emanates from the concerns raised in several merger transactions and complaints investigated by the Commission since its inception which typically related to continuity of supply of timber from large vertically integrated firms. In addition, several complaints referred to the Commission also highlighted the challenges faced by small vertically integrated and non-integrated downstream players in accessing the supply of timber products for their downstream operations.

2. CALL FOR SUBMISSIONS

Following the completion of the impact assessment, the Commission invites stakeholders to make submissions on the preliminary findings of the impact study and the proposals made to remedy the concerns identified. Please provide all submissions to Mr Yongama Njisane on yongaman@compcom.co.za by close of business on **31 August 2020**.