

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 1048

02 OCTOBER 2020

COMPETITION COMMISSION

NOTICE IN TERMS OF SECTION 10(7) OF THE COMPETITION ACT 89 OF 1998 (AS AMENDED): THE ABALONE FARMERS ASSOCIATION OF SOUTH AFRICA GRANTED CONDITIONAL EXEMPTION

1. On 13 June 2016, the Abalone Farmers Association of South Africa (“AFASA”) and its members, hereafter jointly referred to as (“**the Applicants**”) filed an application for exemption (“**the application**”) in terms of section 10(1)(b) of the Competition Act No 89 of 1998, as amended (“the Competition Act”) to be exempted from certain provisions of Chapter 2 of the Competition Act for a period of ten (10) years commencing on the date of approval of the application by the Commission.
2. The Exemption application concerns the Applicants’ intentions to engage in meetings and communicate on prices and market conditions as competitors in the abalone industry. The engagements will involve the Applicants coordinating their efforts in respect of sales into certain international markets through sharing information on prevailing prices, feedback regarding information received from agents on prices, estimates of abalone stock available, volumes of abalone product exported and the volumes of abalone stockholding of the international competitors.
3. The Application was based on the premise that that the proposed exemption is required in order to obtain the objectives contained in sub-section 10(3)(b)(i) and (iii) of the Competition Act, namely the maintenance or promotion of exports and change in the productive capacity in order to stop a decline in the industry.

4. The Commission granted the Applicants a conditional exemption from 01 September 2019 ending 30 September 2020. The Notice pertaining to the Commission's decision was published in Government Gazette No.42794 of 25 October 2019.
5. Notice is hereby given in terms of section 10(7) of the Competition Act that the Commission has extended the AFASA exemption by a period of six (6) months starting from 01 October 2020 ending 31 March 2021 on the same terms and conditions as published in Government Gazette No.42794 of 25 October 2019. The Commission will use this six-month period to engage AFASA on the Industry Transformation Plan and implementation thereof.
6. AFASA or any other person with substantial financial interest affected by this decision may appeal it to the Competition Tribunal in the prescribed manner in terms of Section 10(8) of the Competition Act.
7. Further queries should be directed to either:

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Competition Commission of SA
Market Conduct Division
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In correspondence kindly refer to the following case number: 2016Jun0286