

GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF ECONOMIC DEVELOPMENT

NO. 372

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**PUBLICATION OF THE IMPACT ASSESSMENT
ON COVID RESPONSE****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”). The impact assessment on Covid-19 Response is based on the Covid-19 Block Exemptions that were granted by the Minister of the Department of Trade, Industry and Competition (“DTIC”), after extensive consultation with the Commission to assist three key sectors in their response to the pandemic, namely the (i) the Healthcare Sector, (ii) the Retail Property Sector, and (iii) the Banking Sector. The impact assessment is also based on the Commission’s advocacy and enforcement of anti-price gouging Regulations during the Covid-19 disaster period. The Report details the findings of the Commission on the impact of the Covid-19 Block Exemptions and the Commission’s advocacy and enforcement work.

The Report found that the Covid-19 Block Exemptions for the Healthcare Sector were largely a success in that the block exemptions were used extensively. Similarly, the Retail Property and Banking Sector exemptions were successful as they were used as a form for negotiations that led to landlords and lenders providing the financial relief that was much needed to assist tenants and debtors to meet their financial obligations during the pandemic. In so far as it relates to the Commission’s advocacy and enforcement work of the anti-price gouging Regulations, these interventions were found to have had deterrent effects on price gouging as many retailers and wholesalers of essential products and basic food products were made aware of the laws that prohibit price gouging and refrained from increasing prices by either avoiding increasing prices, increasing prices only when suppliers increased cost prices.

2. PUBLICATION OF REPORT

The Commission has concluded its assessment and drafted a report which sets out its findings in respect of the impact of its Covid-19 response. The final report is available on the Commission’s website on www.compcom.co.za

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