

## DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 6057

28 March 2025



**PUBLICATION OF THE FINAL GUIDELINES IN TERMS OF SECTION 21A  
OF THE COMPETITION ACT 89 OF 1998 (AS AMENDED)**

**28 March 2025****1. BACKGROUND**

Notice is hereby given that the Competition Commission ("the Commission") has published the final Price-cost Margin Calculations Guidelines on its website and is gazetted in terms of section 21A (3) of the Competition Act, 89 of 1998, as amended ("the Act").

The guidelines seek to provide guidance on how the Commission intends to undertake the calculations of the price-cost margin test, where the price-cost test is used to assess excessive pricing allegations as enjoined by section 8(3)(a) of the Act. According to section 8(3)(a) of the Act, the Commission is required 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. The price-cost margin is one of the factors that the Commission may consider in assessing whether a price is excessive. The draft guidelines consider aspects related to the computation of the price-cost margin test but do not discuss the reasonableness of the price-cost margin.

With the Commission having reviewed the comments from various stakeholders, the final Price-cost Margin Calculations guideline is available at [www.compcom.co.za](http://www.compcom.co.za).