

**MEDIA STATEMENT**

***For Immediate Release***

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**THE MINISTER FOR SMALL BUSINESS DEVELOPMENT, MS STELLA NDABENI-ABRAHAMS PAYS TRIBUTE TO OUTGOING COMPETITION COMMISSIONER**

Minister for Small Business Development Stella Ndabeni-Abrahams has paid tribute to the outgoing Competition Commissioner, Tembinkosi Bonakele, as he steps down from the Competition Commission after nine years at the helm.

Minister Ndabeni-Abrahams said under the tenure of Commissioner Bonakele, the Commission made significant strides in not just acknowledging and promoting SMMEs but made critical practical interventions in empowering the sector and advancing small business interests.

Chief among these was the Commission’s decisive intervention in the Automotive Aftermarkets foreclosure, opening the market to independent service providers like panel beaters, service centres and motor vehicle dealers. Small enterprises can now access spare parts, do services, and repairs on in-warranty vehicles. This was previously an exclusive domain for Original Equipment Manufacturers (OEMs) but SMEs and HDIs now have unrestrained access. Importantly, this creates new opportunities for businesses in this sector in townships and previously marginalized communities.

Furthermore, although the actions taken regarding school uniform is predominantly a consumer issue for parents, the application of competition principles will not only lower costs of school uniform and learning materials but also provides an opportunity for new suppliers including community-based SMEs and cooperatives to enter the market and supply school uniforms.

The Commission also conducted a Grocery Retail Market Inquiry which had significant outcomes for SMMEs resulting in the termination of evergreen exclusive lease agreements in shopping centres and malls. This allowed small independent retailers to trade in malls with virtually no constraints. This inquiry also set out recommendations on promoting the growth of spaza shops and defining the dynamics between large retailers and SMMEs within the township economy.

Consumers and thousands of SMMEs who depend on data to do business were able to save about R2 billion per annum because of the Commission’s Data Market Inquiry into the high cost of mobile data communication which was concluded in 2019.

Under Bonakele’s tenure, the Commission embarked on continuing work on on-boarding and the fair allocation for work to SMMEs that provide services to banks and insurance companies. The Commission also produced a manual on “A Guide on Promoting Competition in Public Procurement” which advances the principle and improves the ease of SMMEs participating in state procurement processes. The Commission also granted critical exemptions that allowed small players in health, farming and fishing, among others, to cooperate. This provides the economy of scale to compete with larger and more dominant players in the market.

Critically, during this period we have seen the introduction of the amendments to the Competition Act, through the Department of Trade, Industry and Competition, of buyer power provisions to protect SMMEs from discrimination as big retailers charge smaller buyers a higher price and give discounts or rebates to larger buyers. The amendments sought to promote access of SMMEs to retail supermarket groups and the competition authorities are now empowered to deal effectively with big retailers that victimize small entrepreneurs.

The same amendments introduced vital SMME friendly interventions with regards to mergers. When the Commission considers mergers, they must now consider the impact of the transaction on SMMEs as part of public interest considerations. Undoubtedly, all these are critical in the quest to promote the increased participation of historically disadvantaged individuals and SMMEs in the economy.

Commissioner Bonakele served the small business sector and the country with distinction particularly during the recent COVID-19 pandemic were the actions of the Commission averted price gauging and exploitation of SMMEs and consumers.

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