

INKOSI ALBERT LUTHULI INTERNATIONAL CONVENTION CENTRE, DURBAN

12 NOVEMBER 2015

Cllr James Nxumalo, His Worship the Mayor of Ethekewini Municipality

Mr Ebrahim Patel, Minister of Economic Development

Mr Michael Mabuyakhulu, MEC for Economic Development, Tourism and
Environmental Affairs

Mr Tembinkosi Bonakele, Commissioner, Competition Commission of
South Africa

Distinguished Ladies and Gentlemen.

- It is our pleasure to welcome you all to our beautiful Province of KwaZulu-Natal, which first and foremost is positioning itself as a gateway to the region and the rest of the African Continent.

- As the Province of KwaZulu-Natal, we have two strategic ports that are critical to facilitating trade particularly the movement of goods to and from Southern African region.

- This 4th BRICS International Competition Conference, comes at an opportune time when as we our efforts are directed at unlocking untapped economic opportunities in the maritime sector.

These opportunities are largely in the services sector, driven on the main by offshore exploration of oil and gas, which will further unlock existing and potentially new capacity in the services sector (especially shipbuilding, repairs and maintenance).

- Advanced economies in this sector, have shown that for it to thrive and achieve its full potential, assertiveness in competition policy is critical in facilitating broad participation.

- As BRICS partners, part of issues that we need to explore in this conference, is how we craft cooperation arrangements that facilitate the sharing of technical expertise will deepen our interventions in an effective way in the area of competition policy and regulation.

- Such technical cooperation must look into the kind of architecture we put in place to facilitate substantive progress within our individual countries, to protect infant industries where such exist, without closing off opportunities for partnership with one another in a mutually beneficial way to all of us.

- In other words, we all have our individual development imperatives that we must pursue in accordance with our unique realities. In the same equation, we equally have a commitment to one another to work together to grow our collective economies through trade and investment.

- This is a fine balancing act that we all need to be mindful of, but one that we must not shy away from discussing. We must do so as an attempt to find answers in achieving equitable trade among ourselves, without sacrificing all that gives us competitive edge to build dynamic economies that are globally competitive, yet responding adequately to our unique challenges and needs.
 - It is thus important that we have robust engagement that moves us towards convergence of competition policy at BRICS level. This should facilitate deeper economic cooperation among ourselves as BRICS partners, without each one of us losing required policy space to drive an economic agenda that addresses domestic socio-economic context.
 - Ours as South Africa and particularly this Province, is to ensure that this economy works for all its people. That is why we have adopted a resolution at the Provincial Cabinet level, to use public procurement of goods and services as a driver for economic transformation.
- This means, we have deliberately designated a percentage of products to procure from enterprises owned by black people especially women, youth and the disabled.
- Once you do that, you open new challenges that fall directly within the space of competition regulation, because those whose share of the market would to a certain extent be affected, may undermine such agenda through anti-competitive measures.
- As the global economy integrates more and more, we are seeing an increase in mergers and acquisitions among bigger companies in the manufacturing, retail, services, agriculture and mining sectors.
 - This means we are poised for smaller number of dominant players in respective sectors, thereby leading to potential monopoly by those dominant players. Whereas, we must encourage the flow of investment (both domestic and foreign), however we need to look at how such mergers and acquisitions crowd out potential new entrants into those sectors that may not have similar muscle to compete with established giants that are a product of such processes.
 - The other issue that I think must be looked at, is how we to use competition policy and laws as a transformative instrument to ensure that out of these mergers and acquisitions, global value chains are opened to small and medium enterprises.
 - It is our hope that this gathering will enrich our policy making to produce outcomes that will advance our development, thereby improving our partnerships and the lives of the people of our countries.

I thank you and wish you fruitful deliberations.