



# NEHAWU

National Education Health & Allied Workers' Union

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Peter Paul Mbele  
The Secretary  
Portfolio Committee on the Economic Development  
E-mail: [pmbele@parliament.gov.za](mailto:pmbele@parliament.gov.za)

17 August 2018

Dear Sir

### **COMPETITION AMENDMENT BILL, 2018**

Please receive correspondence from our union, the National Education Health and Allied Workers' Union (NEHAWU), in respect of the Competition Amendment Bill.

We fully endorse the Bill, 2018 and all its provisions.

The trajectory of South Africa's economic and social transformation has been undermined and restricted by the present structure of the economy, in respect of ownership and control. This high level of concentration has recently been accompanied by internationalisation, in which domestic monopolies relocated their domiciles abroad, especially Europe and North America, whilst others have become foreign companies through mergers and acquisitions. These economic constraints have to be addressed as a matter of urgency if we are to advance a programme of radical economic transformation, in line with the 54<sup>th</sup> ANC Conference which identified "the need to reduce concentration of ownership and control in the economy and breaking up monopolies." We are aware of the powerful vested interests that have been able to monopolise the wealth generated in the economy. We know that these sectors of business are intent on maintaining that control and do not want to see progressive legislation addressing this.

Our union believes some of the most important benefits from the amended legislation will be that it will undo the concentration in the economy, including the racially-skewed spread of firm ownership; promote investment; lead to a reduction in prices; and lead to a greater focus on jobs and the promotion of worker ownership.

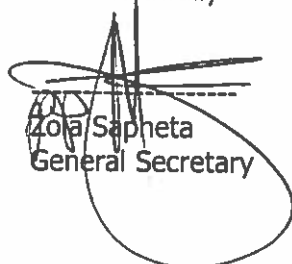
We particularly support the provisions of the legislation that deal with:

- Strengthening the role of the executive as workers and the electorate expect policy makers to be responsible for mergers and exemptions policies and hold them accountable through Parliament or the ballot box.

- The veto on mergers that may affect national security as there is no provision in our legislation which provides the legal basis for government to intervene in mergers with national security implications.
- An additional test to public interest criteria applied to mergers, namely the extent to which a merger will promote greater ownership, including by workers employed at the firms concerned.
- The increase in penalties of firms involved in cartels and collusion, and
- Strengthening the tool of market inquiries to deal with economic concentration and that can help to deconcentrate the economy.

We urge that this amendment legislation be implemented urgently.

Yours faithfully



Zola Sapheta  
General Secretary