

## DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 2047

29 April 2022

## COMPETITION COMMISSION

## NOTICE IN TERMS OF SECTION 10(7) OF THE COMPETITION ACT 89 OF 1998 (AS AMENDED): THE ABALONE FARMERS ASSOCIATION OF SOUTH AFRICA GRANTED CONDITIONAL EXEMPTION

1. On 13 June 2016, the Abalone Farmers Association of South Africa (“AFASA”) and its members, hereafter jointly referred to as (“**the Applicants**”) filed an application for exemption (“**the application**”) in terms of section 10(1)(b) of the Competition Act No 89 of 1998, as amended (“the Competition Act”) to be exempted from certain provisions of Chapter 2 of the Competition Act for a period of ten (10) years commencing on the date of approval of the application by the Competition Commission (“the Commission”).
2. The Exemption application concerns the Applicants’ intentions to engage in meetings and communicate on prices and market conditions as competitors in the abalone industry. The engagements will involve the Applicants coordinating their efforts in respect of sales into certain international markets through sharing information on prevailing prices, feedback regarding information received from agents on prices, estimates of abalone stock available, volumes of abalone product exported and the volumes of abalone stockholding of the international competitors.
3. The Application was based on the premise that the proposed exemption is required in order to obtain the objectives contained in sub-section 10(3)(b)(i) and (iii) of the Competition Act, namely the maintenance or promotion of exports and change in the productive capacity in order to stop a decline in the industry.
4. The Commission’s preliminary findings revealed that the exemption is likely to achieve the objectives set out in paragraph 3 above. However, the Commission’s investigation also