

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

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competitioncommission  
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**PUBLICATION OF THE FINAL FORESTRY  
SECTOR IMPACT ASSESSMENT REPORT**

**1. BACKGROUND**

Section 21A of the Competition Act, No. 89 of 1998 (as amended) (“the Act”) provides for the Competition Commission (“Commission”) to conduct an impact study of any decision, ruling or judgement of the Commission, the Competition Tribunal (“Tribunal”) or the Competition Appeal Court (“CAC”). The forestry sector impact assessment was conducted based on the decisions of the Commission on the mergers and acquisitions that have taken place as well as abuse of dominance complaints received in the forestry sector since its inception.

While these mergers and acquisitions were largely approved, they raised a central theme which continues to persist to date and this relates to deepening vertical integration in the forestry sector and log supply access concerns, particularly by small integrated and non-vertically integrated businesses. Notably, the complaints received also raise the same issues. It is for this reason that the Commission conducted this impact assessment, to assess the cumulative impact of its merger decisions in the sector. Specifically, the study assessed the impact of vertical integration on security of supply and the ability for non-vertically integrated players and smaller vertically integrated players’ ability to access logs.

On 31 July 2020, the Commission published a report of its preliminary findings and recommendations, inviting stakeholders to make submissions on same.<sup>1</sup> On 16 September 2020, the Commission published a gazette granting stakeholders an extended period for making submissions.<sup>2</sup>

**2. PUBLICATION OF FINAL REPORT**

The Commission has considered the submissions received and incorporated same into the drafting and finalisation of the report which sets out its final findings and recommendations in respect of the forestry sector impact assessment. The final report is available on the Commission’s website on [www.compcom.co.za](http://www.compcom.co.za).

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<sup>1</sup> Government Gazette no: 43571.

<sup>2</sup> Government Gazette no: 43668.