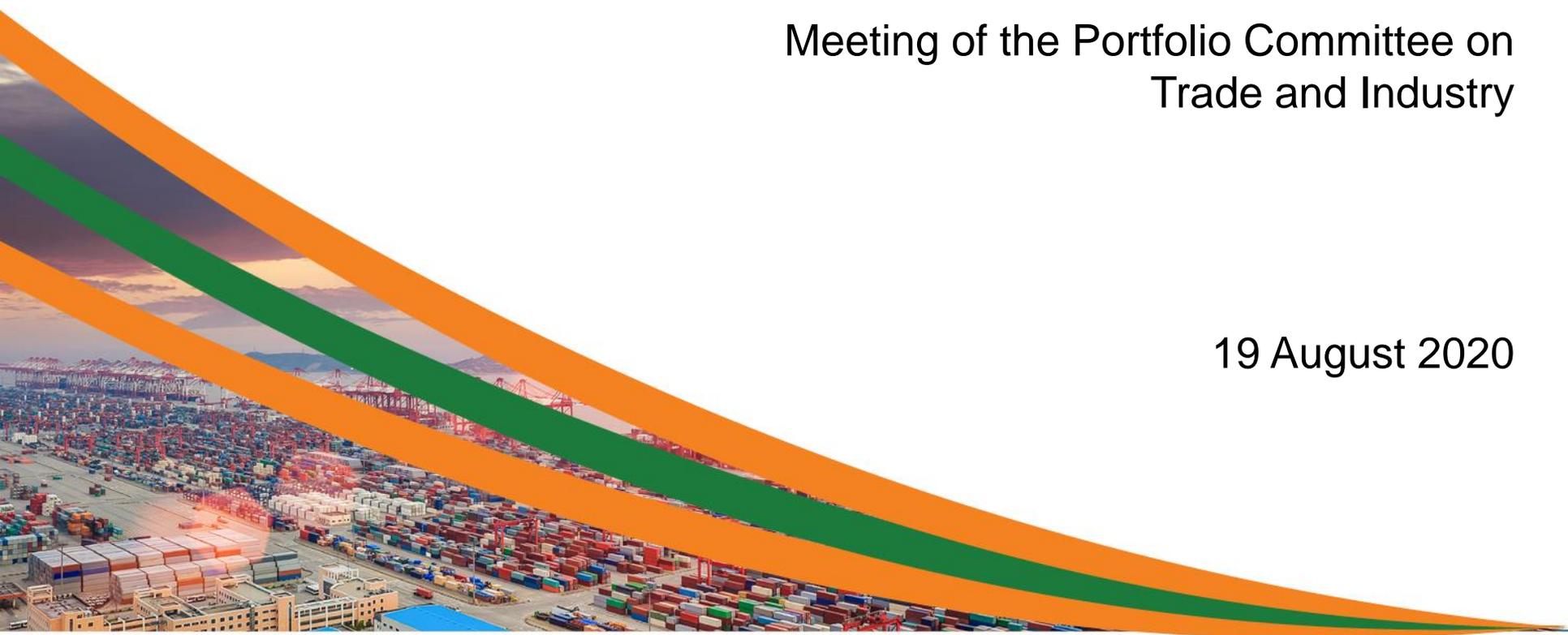


# UPDATE: COVID-19 RESPONSE BY the dtic

Meeting of the Portfolio Committee on  
Trade and Industry

19 August 2020



**the dtic**

Department  
Trade, Industry and Competition  
REPUBLIC OF SOUTH AFRICA

**the dtic - together, growing the economy**

the dtic Customer Contact Centre: 0861 843 384

the dtic Website: [www.thedtic.gov.za](http://www.thedtic.gov.za)



# OUTLINE

- Recap of presentation to PC on 22 May 2020
- Overview of global developments
- Key developments in SA
- DTIC's 9 interventions
- Economic recovery
- Annexures

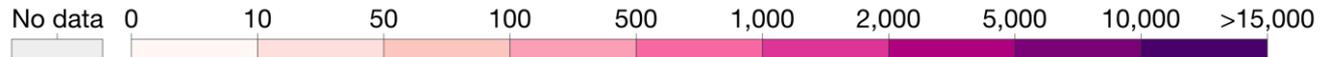
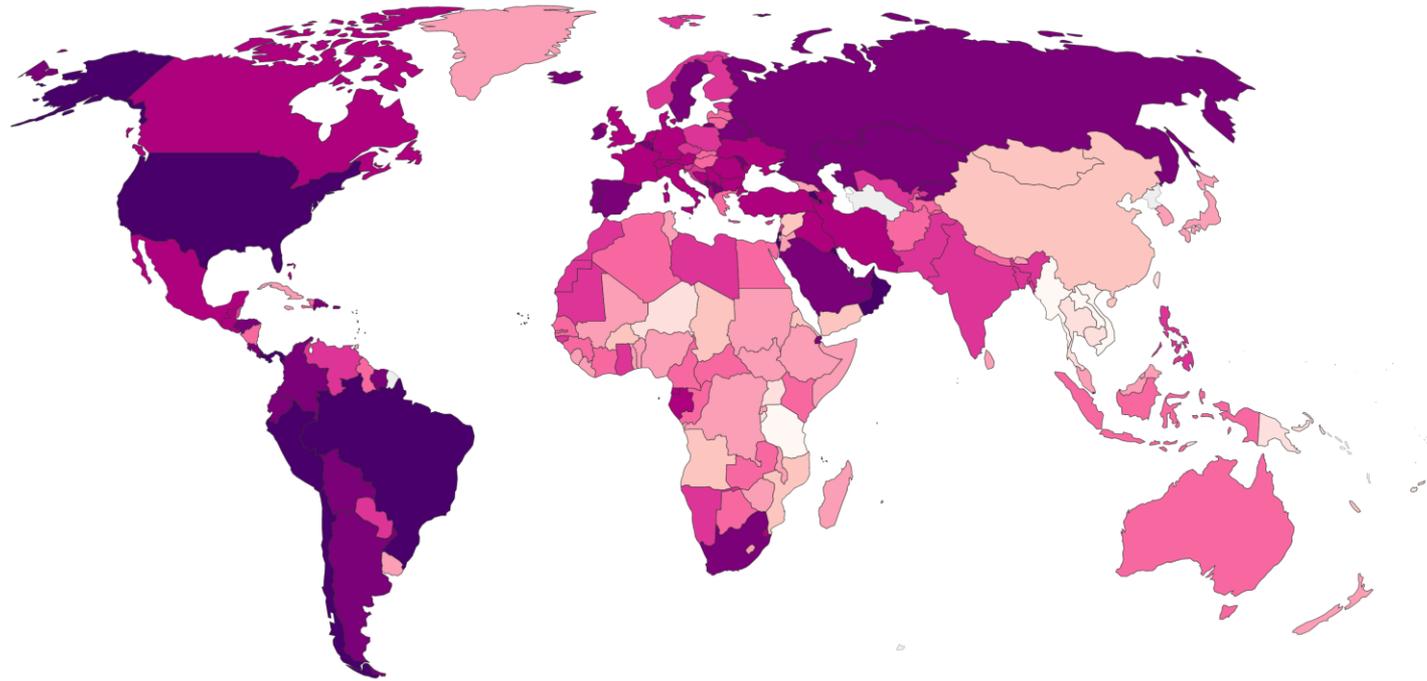
# RECAP OF 22 MAY THEMES

- Framing the challenge of COVID-19
- Detailing the South African response to COVID-19
- Economic impact and mitigation
- Highlighting solidarity and social protection measures
- Detailing DTIC regulatory support in the form of regulations, exemptions and directions
- Protecting consumers: action on price rises
- Detailing risk-adjusted strategic approach

# OVERVIEW OF GLOBAL DEVELOPMENTS

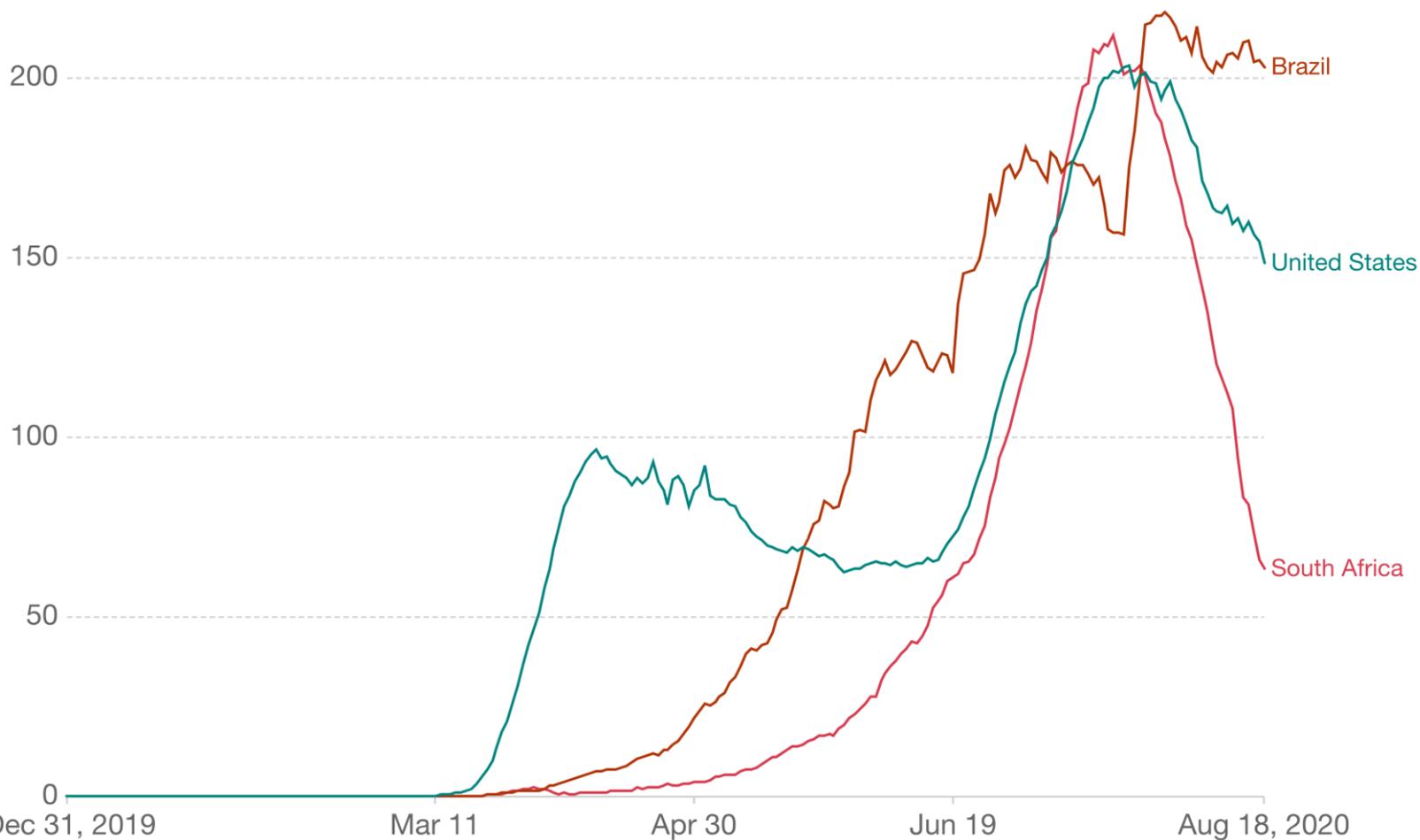
# Total confirmed COVID-19 cases per million people, Aug 17, 2020

The number of confirmed cases is lower than the number of total cases. The main reason for this is limited testing.



# Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.



Dec 31, 2019

Mar 11

Apr 30

Jun 19

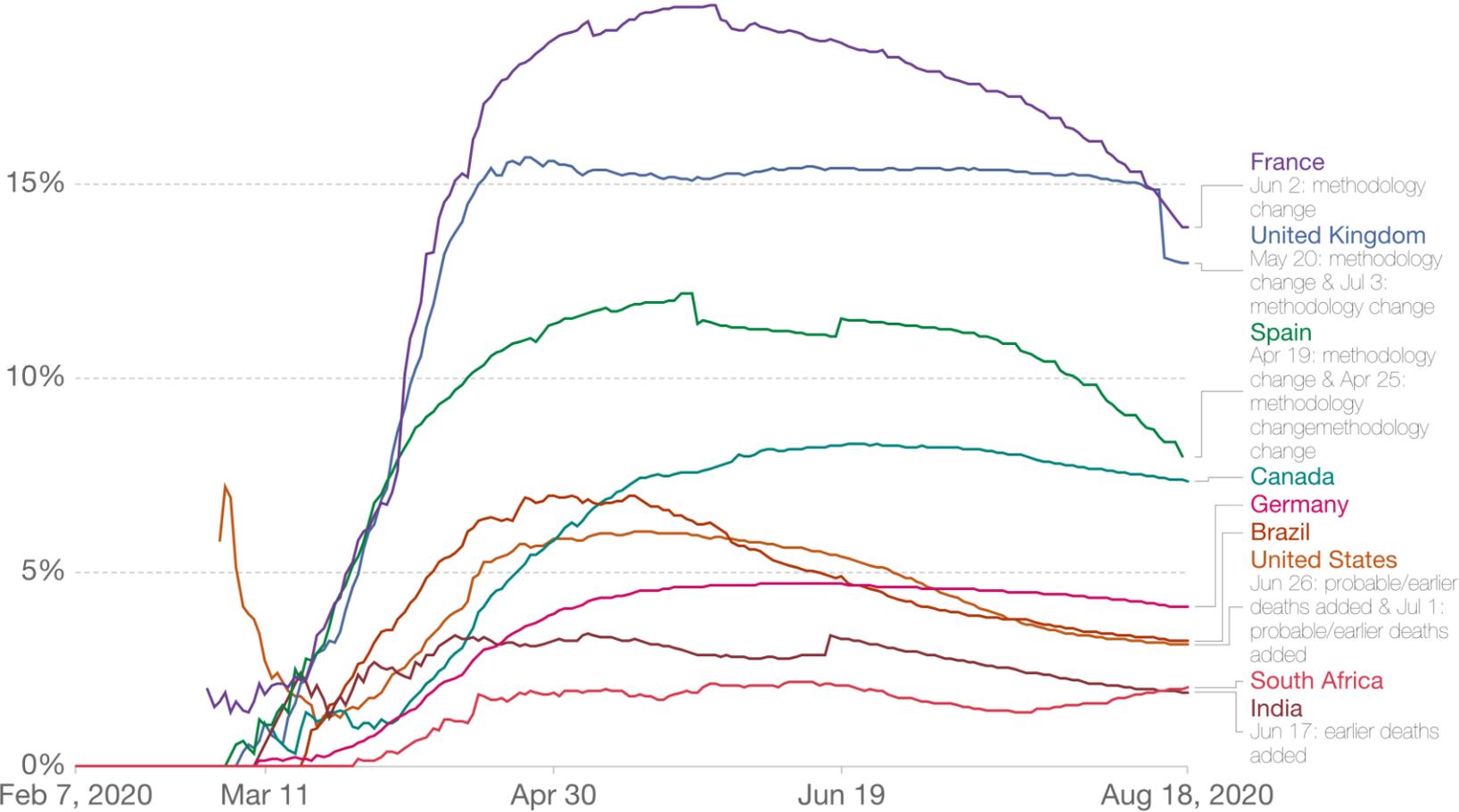
Aug 18, 2020

Source: European CDC – Situation Update Worldwide – Last updated 18 August, 09:33 (London time)

CC BY

# Case fatality rate of the ongoing COVID-19 pandemic

The Case Fatality Rate (CFR) is the ratio between confirmed deaths and confirmed cases. During an outbreak of a pandemic the CFR is a poor measure of the mortality risk of the disease. We explain this in detail at [OurWorldInData.org/Coronavirus](https://OurWorldInData.org/Coronavirus)



Source: European CDC – Situation Update Worldwide – Last updated 18 August, 09:33 (London time)



World Health  
Organization

REGIONAL OFFICE FOR Africa

# COVID-19

## WHOAFRICAUPDATE17.08.20

Country	Total cases	Total deaths	Country	Total cases	Total deaths	Country	Total cases	Total Deaths
<b>WHO Africa Region</b>			Gambia	1,872	63	Sierra Leone	1,956	69
Algeria	38,583	1,370	Ghana	42,532	231	South Africa	587,345	11,839
Angola	1,906	88	Guinea	8,482	51	South Sudan	2,490	47
Benin	2,063	39	Guinea Bissau	2,117	33	Tanzania	509	21
Botswana	1,214	3	Kenya	30,120	474	Togo	1,147	27
Burkina Faso	1,249	54	Lesotho	946	30	Uganda	1,500	13
Burundi	413	1	Liberia	1,257	82	Zambia	9,343	260
Cameroon	18,582	403	Madagascar	13,827	170	Zimbabwe	5,261	132
Cabo Verde	3,179	35	Malawi	5,072	161	<b>WHOAFRO Total</b>	<b>949,115</b>	<b>18,664</b>
CAR	4,652	61	Mali	2,640	125	<b>WHO Eastern Mediterranean Region</b>		
Chad	956	76	Mauritania	6,701	157	Djibouti	5,369	59
Comoros	405	7	Mauritius	346	10	Egypt	96,475	5,160
Congo	3,831	76	Mozambique	2,855	19	Libya	8,172	153
Cote d'Ivoire	17,026	110	Namibia	4,154	35	Morocco	42,489	658
DRC	9,676	240	Niger	1,167	69	Somalia	3,256	93
Equatorial Guinea	4,821	83	Nigeria	49,068	975	Sudan	12,410	803
Eritrea	285	0	Rwanda	2,453	8	Tunisia	2,107	54
eSwatini	3,839	70	Sao Tome & Principe	885	15	<b>Africa Total</b>	<b>1,119,393</b>	<b>25,644</b>
Ethiopia	29,876	528	Senegal	12,162	253			
Gabon	8,225	51	Seychelles	127	0			

WHO only publishes verified information. Data may reflect differences in reporting methods, retrospective data consolidation, and reporting delays.

Source: WHOAFRO [16/08/20; 23:59]; WHOEMRO [16/08/20: 18:00]



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# KEY DEVELOPMENTS IN SOUTH AFRICA

# COVID-19 TIMELINE IN SOUTH AFRICA

- **March 6, 2020:** South Africa confirms its first coronavirus infection
- **March 15, 2020:** President Ramaphosa announces a national state of disaster to deal with the threat of COVID-19 (38 positive cases)
- **March 19, 2020:** Confirmed cases cross the 100 mark
- **March 23, 2020:** President Ramaphosa announces a nationwide lockdown from 26 March to 16 April.
- **March 26, 2020:** A three-week nationwide lockdown begins (709 positive cases)
- **March 28, 2020:** Confirmed cases cross the 1 000 mark and first coronavirus death reported
- **April 9, 2020:** President Ramaphosa announces a two-week extension of the lockdown until 30 April (1 934 positive cases; 18 deaths)
- **April 23, 2020:** President Ramaphosa announces that the country will follow a five-level risk-adjusted approach to transition from the nationwide lockdown, and that effective 1 May, South Africa will ease lockdown restrictions to Level 4 (3 635 positive cases; 65 deaths)
- **April 29, 2020:** Confirmed cases cross the 5 000 mark
- **April 30, 2020:** Confirmed deaths cross the 100 mark
- **May 1, 2020:** South Africa moves from Level 5 lockdown to Level 4, opening up more economic activity
- **May 10, 2020:** Confirmed cases cross the 10 000 mark
- **May 13, 2020:** President Ramaphosa announces that most of the country be placed on Level 3 by end of May

# COVID-19 TIMELINE IN SOUTH AFRICA

- **May 24 2020:** President Ramaphosa says the lockdown will ease to level 3 from June 1.
- **June 2 2020:** Covid-19 cases soar to 35,812.
- **June 6 2020:** Total confirmed infections rise to 45,973.
- **June 8 2020:** SA's death toll passes 1,000. Schools reopen for grades 12 and 7.
- **June 10 2020:** Close to one million Covid-19 tests have been conducted across the country.
- **June 22 2020:** SA surpasses the 100,000 mark for confirmed infections.
- **June 27 2020:** SA records 7,210 new Covid-19 cases in 24 hours.
- **June 29 2020:** SA sees 6,132 new infections in 24-hours, about half of them in Gauteng.
- **June 30 2020:** A Covid-19 cumulative infection milestone is reached with more than 150,000 cases in the country.
- **July 09 2020:** South Africa records the highest number of confirmed infections in one day: 13 674.
- **July 23 2020:** President Ramaphosa announces temporary closure of schools.
- **July 25 2020:** Daily new cases peak at 13,944.
- **July 31 2020:** SA hosts National Summit on Science and Innovation response to COVID-19.
- **August 1 2020:** Infections exceed 500,000 cases. Total number of tests conducted exceeds 3 million.
- **August 12 2020:** Daily new cases slow to 2,810.
- **August 15 2020:** President announces SA will move to Alert Level 2 on the 18<sup>th</sup> of August 2020.

# COVID-19: A GLOBAL PANDEMIC

WHO declared COVID-19 a global pandemic on 11 March 2020. Data from WHO and DOH,  
as at 17 August 2020

	30 April 2020	21 May 2020	17 August 2020
Global infection level	3 256 570	5 047 377	21,732,472
SA infection level	5 647	19 137	589,886
Global deaths	233 363	329 816	770,866
SA deaths	103	369	12,072

# COVID-19 STATISTICS IN SA

				
<b>3 415 670</b>	<b>589 886</b>	<b>477 671</b>	<b>11 982</b>	<b>2 541</b>
TESTS CONDUCTED	POSITIVE CASES IDENTIFIED	TOTAL RECOVERIES	TOTAL DEATHS	NEW CASES

**MONDAY**  
**17**  
**AUGUST**  
**2020**



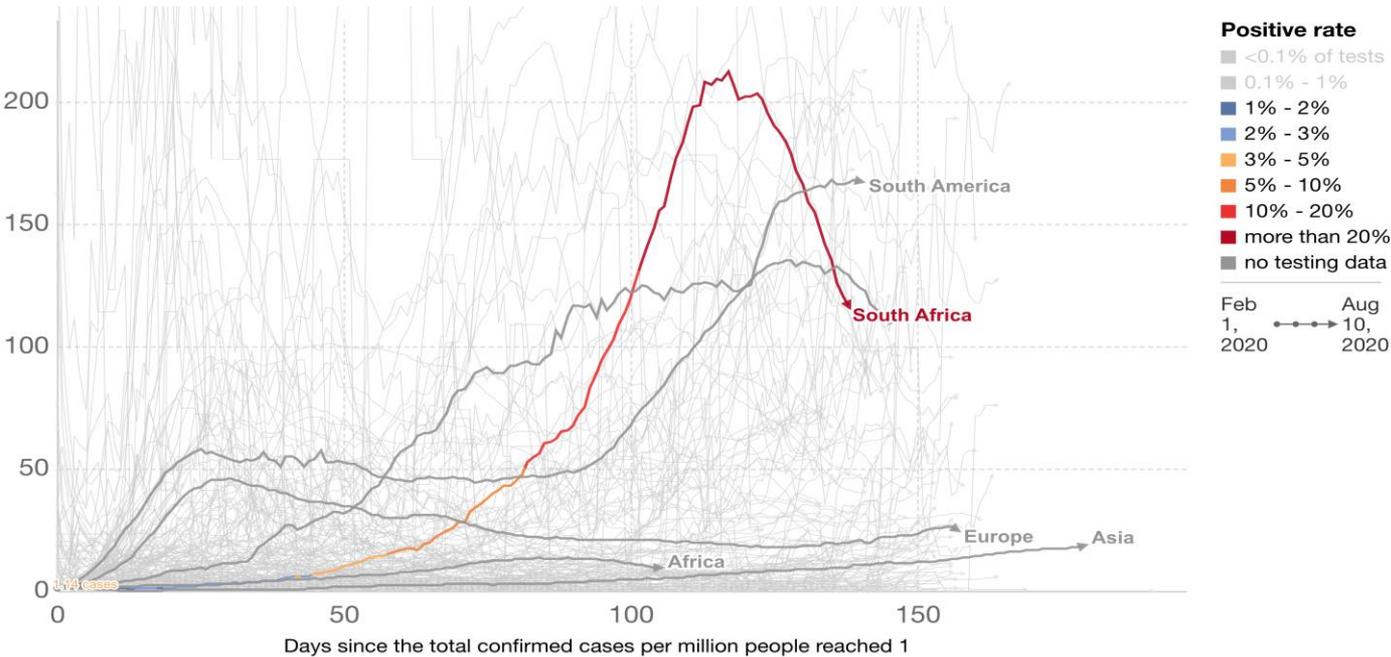
Learn more to Be READY for #COVID19:  
[www.sacoronavirus.co.za](http://www.sacoronavirus.co.za)

Covid-19 public hotline: 0800 029 999  
WhatsApp 'Hi' to 0600 123 456

# Global Infection Trends

## Daily new confirmed COVID-19 cases per million people

Shown is the rolling 7-day average. The number of confirmed cases is lower than the number of actual cases; the main reason for that is limited testing.



Source: European CDC – Situation Update Worldwide – Last updated 10 August, 10:34 (London time), Official data collated by Our World in Data  
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# PROVINCIAL INFECTION TRENDS

(NICD data as at 17 August)

Last Updated:

Aug 17, 2020, 10:20 PM

## Provincial Overview

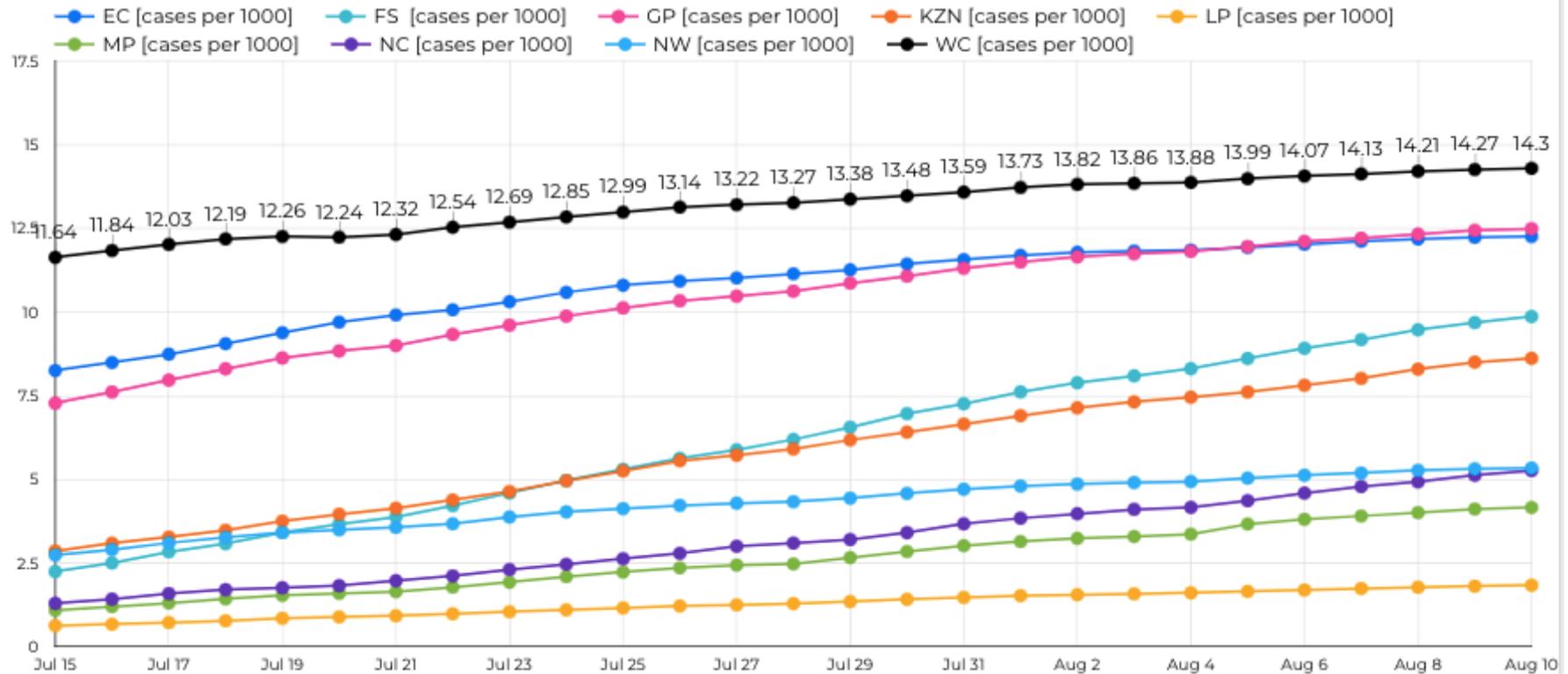
### Total Number of Confirmed Cases for Each Province

Province Name	Confirmed Cases ▾	Active Cases	Fatalities
Gauteng	200,237 	36,230 	2,929 
KwaZulu-Natal	106,037 	24,396 	1,686 
Western Cape	102,609 	7,956 	3,612 
Eastern Cape	84,092 	1,578 	2,567 
Free State	32,304 	14,780 	524 
North West	23,305 	8,131 	194 
Mpumalanga	21,474 	2,599 	214 
Limpopo	11,757 	1,317 	159 
Northern Cape	8,021 	3,196 	97 
Unidentified	50 	0 	0 



# PROVINCIAL INFECTION TRENDS

(NICD data as at 07 August)



# DTIC'S 9 INTERVENTIONS

# ECONOMIC ACTION TO ADDRESS PANDEMIC

Government and **the dtic** have prioritised 9 key interventions, including:

1. Economic impact assessment and measures to mitigate;
2. Supporting health measures: essential health and PPE stocks;
3. Food and hygiene product supply-lines: from farm to shop;
4. Solidarity and social protection measures to assist the vulnerable;
5. Regulatory support to facilitate cooperation and keeping firms in business;
6. Protecting consumers: Action against unfair price rises;
7. Global coordination and engagement;
8. Reopening the economy and reconstruction; and
9. Internal **dtic** processes to manage outbreaks amongst staff.

# ECONOMIC IMPACT AND MITIGATION

## **R500 billion coronavirus budget:**

- **R200 billion** loan guarantee scheme with major banks, National Treasury and the SARB.
- **R100 billion** for the UIF's benefit to support workers' wages and assist companies in distress.
- **R70 billion** in cash flow relief or direct payments to businesses and individuals, through a 4-month holiday for companies' skills development levy contributions, fast-tracking VAT refunds and a 3-month delay for filing and first payment of carbon tax
- **R50 billion** on a temporary 6-month Coronavirus grant towards relieving the plight of those who are most desperately affected by the coronavirus,
- **R40 billion** for income support payments for workers whose employers do not pay their wages.
- **R20 billion** for personal protective equipment for health workers, community screening, increase in testing capacity, additional beds in field hospitals, ventilators, medicine and staffing.
- **R20 billion** to municipalities for the provision of emergency water supply, increased sanitisation of public transport and facilities, and providing food and shelter for the homeless
- **R2 billion** to assist SMEs and spaza shop owners and other small businesses.

Additional measures, incl:

- Tourism support Fund
- Emergency loan provisions in National Credit Act
- Small Business Fund



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# HEALTH STOCKS

## 1

- The DTIC has continued to work with companies to build the supply of critical health stocks
- The National Ventilator Project has finalised prototyping and is in production.
- The IDC has increased approvals to provide funding to companies to add essential supplies into supply chain
- The Solidarity Fund has continued to deploy resources to bring in critical stocks
- Clothing manufacturers have repositioned production processes to focus on masks and other PPE
- Work by the Competition Commission and National Consumer Commission is helping to monitor prices for essential health stocks

# RAMPING UP LOCAL PRODUCTION OF HEALTH PRODUCTS

- A number of companies are being assisted to obtain SAHPRA certification for respirators and surgical masks so that they are able to supply the health sector. These companies are also being assisted to localise the nose clips and low melt glue used in the N95 masks
- Textile PPE- DTIC & SACTWU continued with lobbying efforts to direct procurement to local manufacturers
- Assisted companies to manufacture/ of diagnostic kits through engaging funders such as MRC and DSI
- Engagements with an MNC on tech transfer around more complex diagnostics are at an advanced stage
- DTIC been working with 2 manufacturing companies to ramp up supply of non latex glove,

# FACILITATING KEY IMPORTS AND EXPORTS

## Import Facilitation

- Providing certificates for the rebate of the full duty, under Rebate Item 412.11, for the importation of on essential goods, such as PPEs and medicines, used in the fight against Covid-19.
- Providing certificates for the rebate of the full duty under Rebate Item 405 for the importation of certain donated goods to support charitable organisations such as orphanages.

## Export Restrictions

- Developed Covid-19 Export Control Regulation to restrict the export of essential goods to fight Covid-19.
- Considering applications for export permits and issuing of export permits to control the exportation of products necessary to fight Covid-19 to ensure sufficient domestic supply.

# BUILDING HEALTH STOCKS - IDC FUNDING

- IDC has approved 12 applications to the value of **R476 million** in term of the IDC's Essential Supplies Intervention programme
- Support includes financing to ramp up local production of critical goods, and trade finance support to import essential products needed in the fight against COVID-19
- Companies supported have added critical capacity for face masks, hand sanitizer, gloves, packaging for medicines, disinfectants, testing kits
- As a result of IDC funding:
  - **N95 mask** manufacturing capacity has increased by **1 million masks per month**
  - **Surgical mask** manufacturing capacity has increased by **16 million masks per month**
  - **Hand sanitizer / disinfectant** manufacturing capacity has increased by **2 million litres per month**
- In addition, working capital and trade finance has been provided to import the following:
  - N95 Masks: **2.3 million**
  - Surgical Masks: **30.7 million**
  - Surgical Gloves: **57 million**
  - Medical Gowns: **56 000**
  - Coveralls: **60 000**
  - Swabs: **192 000**
  - Viral transport media: **2 000 units**



# NATIONAL VENTILATOR PROJECT

- In April this year, hospitals reported that they were unable to source ventilators on global markets.
- The DTIC and DSI conceptualised the National Ventilator Project.
- Appointed South African Radio Astronomy Organisation (SARAO) to serve as project managers given their world-class systems integration and systems engineering capabilities.
- Based on clinical experience in Covid-19 epicentres like China, Italy, the UK and the US, senior critical-care physicians advised us that we should focus on the production of non-invasive Continuous Positive Airway Pressure devices – what are called CPAPs – because they had the greatest potential impact on saving lives.

# NATIONAL VENTILATOR PROJECT

- Put out a national call with the aim of rapidly facilitating the local development and manufacture of thousands of non-invasive ventilators.
- The response was phenomenal, nearly 100 proposals were received.
- These were thoroughly evaluated by the engineers and scientists at SARAO; we needed a machine that could be used as easily in a private hospital in Sandton as in a field hospital in the Eastern Cape.
- Prototypes of the most promising proposals were built and tested first in the laboratory and then in one of our largest public hospitals.
- The designers took the machines through approval by the medical products regulator.

# NATIONAL VENTILATOR PROJECT

- Final assembly of this device is taking place at the Akacia Medical facility just outside of Cape Town, and from there it will be distributed to hospitals across the country.
- But this is just the final step in a supply chain that brings together components made by eight different supplier companies across the country, from Centurion in Gauteng, to the Dube Tradeport in Kwazulu-Natal and Buffalo City in Eastern Cape, to Central University of Technology in Manguang in Free State and the University of Cape Town.



# FOOD AND HYGIENE SUPPLY LINES

## Unblocking work of the DTIC

# 2

- Assisting businesses verify their essential status
- Working with companies to address challenges in the supply chain for:
  - Food and consumer good
  - Pharmaceutical goods
  - PPE
  - Importation of essential goods
  - Exports of other goods
- Localisation initiatives

# UNBLOCKING WORK OF THE DTIC - EXAMPLES

- Assisted companies such as AMKA to set up face mask plants; facilitated importation of machines and linked them with local suppliers of raw materials and components such as meltblown, earlobes and nose pieces and approval with testing and licensing.
- Comprehensive support provided on the manufacturing of sanitisers and specifically to Sasol for ethanol and suppliers of bottlers such as Coca Cola.
- Assisted poultry producers with transporting of live chickens across provincial borders (Gauteng/Limpopo and Western Cape/Eastern Cape).
- Provided support to Tiger Brands and Pioneer with the import of wheat and blockages at the Port of Cape Town and Durban.
- Enabled an SAA cargo flight from Frankfurt to bring emergency medicines in the cargo destined for South Africa.
- Ensured that Evergreen received additional energy from Eskom to increase their production capacity by 6 million surgical masks.
- Adcock/Aspen – assistance with the importation of paracetamol from India.
- PharmaQ – Facilitation with ITAC application.



# UNBLOCKING WORK OF THE DTIC - EXAMPLES

- Facilitated the engagement of manufacturers with local raw material suppliers – engaged with raw material manufacturers to ramp up production, majority of local manufacturers are procuring critical inputs from local raw material manufacturers (this was previously imported) and this has facilitated the development of PPE value chains
- DTIC in collaboration with B4SA has managed to have more than 15 companies vetted and categorized as category 1 suppliers
- Guidelines on face shields and Goggles developed and published
- Working with Proudly SA, an online platform for PPE (hand sanitizers; masks; detergents and disinfectants) was created to boost awareness, leverage private demand and facilitate procurement for local manufacturers.
- A partnership with Labour, Manufacturing circle and B4SA was forged to identify local manufacture opportunities and work to ramp up supply and enable procurement of PPEs.
- Redirected tendering authorities and suppliers to the local manufacturers of PPE – to comply with the 100% local content requirement as set out under designation of CTFL

# Support for 'Mission Critical' International Experts

- Level 3 over 40 companies assisted in terms of visas and flights to begin construction of projects.
- Developed workplace protocols with industry and NDOH.

- Mercedes Benz - Bring in critical internal and external experts to safeguard the introduction of the new C-Class.



Arrival in ORTambo



Bus Convoy with Security and Paramedic

- **First Flight: 15. July**

- **Second Flight: 30. July**

- **Third Flight: 12. August**

- 37 experts planned, e.g. Yanfeng, DUERR, Auria, Valeo, Kromberg&Schubert

- **Fourth Flight: 26. August**

- 30 experts planned, e.g. ThyssenKrupp Systems, Yanfeng, Auria



Quarantine Hotel with Self-Check-in, PPE-Package and Sealed Food Parcels

# SOLIDARITY AND SOCIAL PROTECTION

## 3

- Update on support for workers in distress
- Update on support companies in distress
- Provision of NEF Funding

# SOLIDARITY AND SOCIAL PROTECTION

## SUPPORT FOR WORKERS IN DISTRESS:

- UIF TERS has disbursed R38.5-billion paid so far with another R500m scheduled for payment on the 11<sup>th</sup> of August.
- The Covid-19 TERS benefit scheme will be extended in keeping with the period of disaster to August 15, 2020.
- Through NEDLAC, social partners are engaging on how best to prepare workplaces and developing a guide to the conditions under which workers can refuse to return to work e.g. due to unsafe work conditions.
- Also through NEDLAC, social partners have developed, with the Department of Transport, Regulations and Directions to address the safety of workers while travelling to work.
- For the month of July, the CCMA received 190 large-scale retrenchment referrals and 1 307 small-scale retrenchment referrals.

# SOLIDARITY AND SOCIAL PROTECTION

## **The NEF COVID-19 Black Business Fund:**

- The Fund received over 500 applications amounting in excess of R1 billion.
- To date 28 projects for the value of approximately R174 million have been approved.
- 60 % of the approved funding has been disbursed.

## **Relief for NEF Clients in COVID-19 Distress:**

- This is to help safeguard the sustainability of the businesses whose operations are distressed due to COVID-19.
- This will amount to a total R30 million postponement in capital repayments. In addition, the NEF will grant a zero rating on interest for these eligible investees over the same period, which will result in a total R20 million benefit for clients.

## **Relief for incentives beneficiaries in response to COVID-19:**

- Extension of claims submission date to companies affected by lockdown

# REGULATIONS AND DIRECTIONS ISSUED BY DTIC

## 4

- Sale of Cars and Emergency Auto Repairs at Alert Level 4.
- Sale of Clothing, Footwear and Bedding at Alert Level 4.
- e-Commerce Sales at Alert Level 4.



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# PROTECTING CONSUMERS: ACTION ON PRICE RISES

## 5

- The Competition Commission and National Consumer Commission work to protect consumers and businesses from price gouging and excessive pricing.
- The Competition Tribunal confirmed 30 consent orders for a total fine and/or contribution to the Solidarity Fund and other causes of R15.4 million.
- The National Consumer Tribunal confirmed 1 settlement with a further 7 matters awaiting decision.
- Monitoring of prices in the economy continuing.

# COMPETITION COMMISSION FOCUS

- Since the last Portfolio Committee meeting, the Competition Commission has continued its work to address excessive pricing during the COVID-19 pandemic
- The Commission has referred further cases to the Competition Tribunal over the period on a range of relating to excessive pricing cases on face masks, hand sanitiser and basic food products
- The Competition Tribunal has confirmed 30 consent orders in favour of the Competition Commission which has resulted in settlements for fines, donations to Solidarity Fund and to other organisations, refunds to customers and immediate price decreases on essential goods

# COMPETITION COMMISSION FOCUS

- The total value of the settlements finalised equal: R15,380,849.

Respondent	Administrative penalty	Solidarity Fund	Donation value
Hennox & Sicuro	R1 500 000,00	R200 000,00	R0,00
Matus	R5 949 542,00	R5 050 458,00	R0,00
Centrum Pharmacy	R0,00	R0,00	R25 410,00
Main Hardware (Pty) Ltd	R0,00	R0,00	R0,00
Evergreens Fresh Market	R0,00	R0,00	R1 800,00
Van Heerden Pharmacy 1	R30 000,00	R0,00	R0,00
Van Heerden Pharmacy (Lynwood) 2	R0,00	R3 875,00	R0,00
Belkem Pharmacy	R0,00	R1 059,00	R0,00
Sunset Pharmacy	R0,00	R8 640,00	R0,00
Manhattan Cosmetics	R0,00	R0,00	R612,00
TNT Basic Trading	R0,00	R0,00	R150 150,00
Samys	R0,00	R0,00	R4 000,00
Caprichem	R500 000,00	R100 000,00	R0,00
Auction and Salvage Net	R0,00	R9 521,74	R0,00
Weleda Pharmacy	R0,00	R18 750,00	R0,00

# COMPETITION COMMISSION FOCUS

Respondent	Administrative penalty	Solidarity Fund	Donation value
Seaside Pharmacy	R0,00	R4 168,00	R0,00
Merlot Pharmacies	R0,00	R16 832,00	R0,00
Domoney	R0,00	R30 040,00	R30 040,00
Mandini	R0,00	R0,00	R300,00
Mica Fairpoint	R0,00	R0,00	R33 900,00
Vasilis Cleaning	R0,00	R44 128,51	R242 148,70
Sanitech	R0,00	R65 028,00	R0,00
Umhlanga Medisport Pharmacy	R0,00	R0,00	R20 000,00
Brights Hardware / West Coast	R0,00	R6 074,63	R0,00
Food Lovers Market Westgate	R0,00	R0,00	R18 579,00
Steelmate (Pty) Ltd	R0,00	R6 522,00	R0,00
Dis-chem Phamarcy	R1 200 000,00	R0,00	R0,00
Babelegi Workwear	R76 040,00	R0,00	R0,00
Cambridge Foods Jozini	R0,00	R0,00	R24 947,00
Rand Safety	R0,00	R8 284,00	R0,00

# NATIONAL CONSUMER COMMISSION

- The National Consumer Commission(the NCC) established the COVID-19 toll free line (0800 014 880) on 19 March 2020, in order to assist consumers with complaints about unfair and unreasonable price increases.
- The NCC also set up a Twitter account @NCC\_COVID19 to increase platforms for consumers to raise complaints and concerns
- From 28 March to 3 April 2020, a public awareness campaign was undertaken on SABC's 11 national radio stations to alert consumers about the toll-free line and the Regulations.
- From 23 March to 31 July 2020, the NCC received of 3574 calls through its COVID-19 toll-free hotline. A total of 3151 (88%) calls were answered and 423 (12%) were lost/ abandoned.
- Of the 3151 calls received to-date, 1 901 calls alleged price gouging relating to regulated essential products. The remaining 1 250 calls were not related to the regulations and were referred to the relevant platforms.

# NATIONAL CONSUMER COMMISSION

- Of the complaints received:
  - 85 investigations have been completed
  - Of the 85 investigations completed, 16 matters were closed and will not be referred to the Tribunal as no contravention of the Regulations were found or settlement was reached between Competition Commission and respondents on the same product.
  - 10 matters have been referred to the Tribunal
  - 5 settlements have been reached between the NCC and various suppliers where they agreed to pay the administrative fine and also to contribute PPEs to various non profit organizations. In addition to the administrative fine one supplier refunded the consumer.
  - 3 matters are presently pending before the NCT
  - 1 decision was awarded in favour of the NCC
  - 1 was awarded in favour of the Supplier

# NATIONAL CONSUMER COMMISSION

Lynx Chemicals (Bramley)	Filed at the Tribunal- judgment was in favour of supplier
National Overalls (Pretoria)	Had to withdraw to fix founding papers after a written presentation showing that the increase was equivalent to the increase from the supplier.
Mopani Pharmacy (Mbombela)	Settlement agreement reached in the following terms: a) To pay an admin fine of R52 796; b) Donation of 2500 reusable masks to non-profit organization serving vulnerable groups and c) not to sell masks with a mark-up of more than 50%
Kit Kat Cash & Carry (Pretoria)	Filed at the Tribunal on the 11 May 2020. Settlement agreement has been reached where Kit Kat agreed to: a) Pay an administrative fine of R50 000,00 and b) Refund of R3750, 00 to the complainant
Belegi Workwear (Pretoria)	Judgement in favour of the NCC was granted in the following terms a) Pay an administrative fine in the sum of R100 000, fine b) Conduct of the Respondent declared to be a prohibited conduct:
Dischem	Founding papers being settled, papers not yet filed. Attorneys for Dischem has asked for a meeting before filling of paper
North Safety Products	Pleadings have been closed. The matter was heard on the 3 August 2020 and adjourned sine die for consideration of an application for condonation
OK MiniMark Albertiania	Founding papers filed at the Tribunal. A settlement proposal is being discussed
Peoples Pharmacy	Settlement agreement reached in the following terms; a) To pay R20 000,00 administrative fine b) R10,000,00 worth of PPEs to be donated to Gift of the Givers c) R10 000,00 worth of PPEs to be donated to Khethiwe Rehabilitation Centre for Children with disabilities- Mariannhill
Health and Home Protea Pharmacy	Settlement agreement reached in the following terms; a) To pay an administrative fine of R10 000,00 b) Donate 40 masks to Kempton Park Child wallware

# GLOBAL CO-ORDINATION

## 6

- G20 – Advocated in the G20 Trade and Investment Working Group and G20 Trade Ministers meetings for financial support and debt relief to Africa, called for ramping up production of medical supplies and sharing of technology to fight Covid-19.
- WTO – Advocated for WTO Members to work together to ensure that intellectual property rights do not create barriers to the timely access to affordable medical products including vaccines and medicines. Do not support new rules or further liberalisation that will reduce SA policy space to deal with economic implications of Covid-19.
- SACU - Facilitating trade on essential products while borders were closed.
- African Union Ministers of trade meeting held on 7 May 2020 to consider matters related to fighting Covid-19 on the continent and adjustments to the date for implementing the AfCFTA
- Engagement with neighbouring countries on critical stocks

# LOCKDOWN/RE-OPENING OF ECONOMY

## 7

- A lockdown was announced by the President to limit movement and people and the spread of the virus and 'flatten the curve' of infections.
- The lockdown has bought SA critical time to prepare for the impact of COVID-19.
- On 13 May, President Ramaphosa announced consultation to shift the economy to Level 3.
- On 15 August, President announces that entire country will move to Level 2 on 18 August 2020.

# RISK-ADJUSTED STRATEGIC APPROACH

<b>Level 5</b>	High virus spread and/or low health system readiness	Full lockdown
<b>Level 4</b>	Moderate to high virus spread with low to moderate readiness	High restrictions
<b>Level 3</b>	Moderate virus spread with moderate readiness	Moderate restrictions
<b>Level 2</b>	Moderate virus spread with high readiness	Reduced restrictions
<b>Level 1</b>	Low virus spread with high readiness	Minimum restrictions

The purpose of the new approach is to calibrate the level of openness with the level of risk and enable us to restart or increase as many economic activities as is possible given the health risks.

# RECONSTRUCTION POST COVID-19

## 8

- Work has commenced on measures to repair the damage of Covid-19.
- Critical challenges will include addressing structural problems that hold back job creation and inclusive growth.
- Transformation must be a key objective to be pursued to ensure a fairer economy and the inclusion of larger numbers of South Africans (youth, women, black industrialists).

# RECONSTRUCTION POST COVID-19

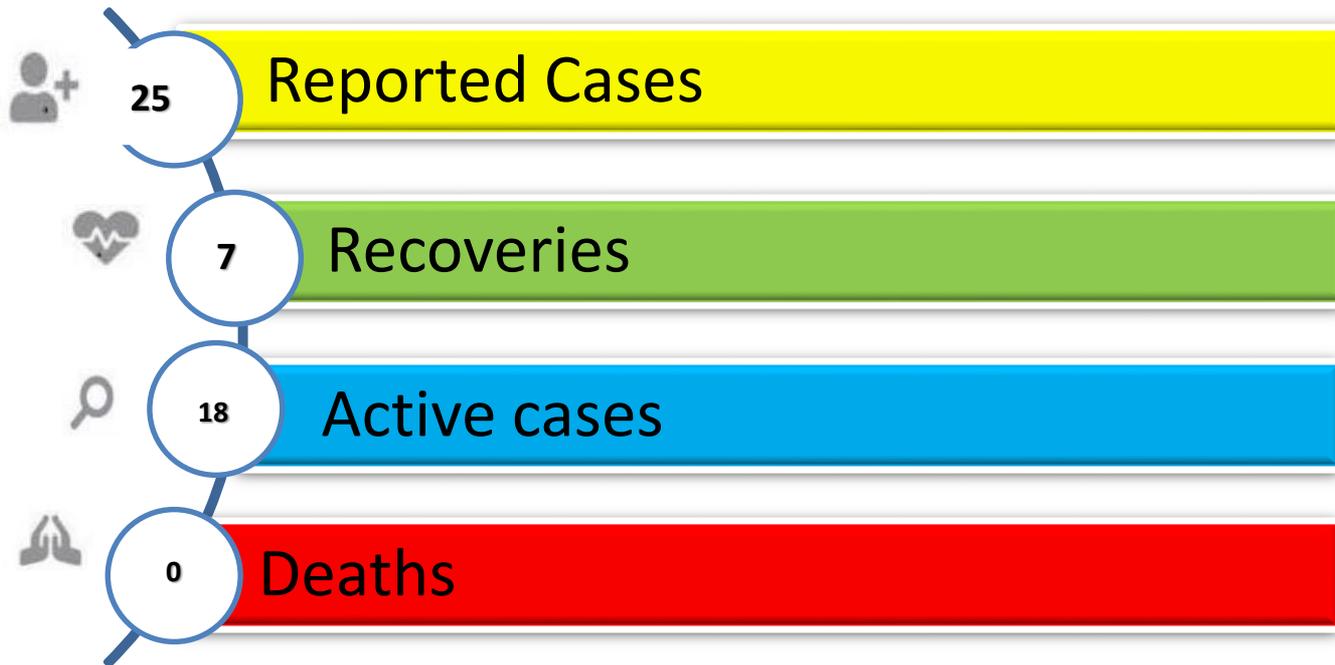
- A key pillar of reconstruction phase will be further infrastructure investment and modernisation of SA's network industries.
- To maximise impact and prevent import leakages, localisation prescripts will be significantly strengthened, in partnership with the private-sector.

# STEEL: UNBLOCKING WORK OF THE DTIC

- Department received representations from the domestic consuming industry that there is a shortage of affordable scrap metal and the price preference system is not achieving its objectives, which is causing severe harm to the industry and hampering its economic recovery.
- Trade Policy Directive was issued on 3 July 2020 to urgently investigate the demand-supply imbalance and to determine appropriate amendments to the Price Preference System.
- The long-term policy objective of government is to implement an export tax on scrap metal, as announced by the Minister of Finance during his Budget speech in 2019. National Treasury's work on the implementation of the export tax is currently underway with the publication of draft Taxation Laws Amendment Bill on 31 July 2020 for comment.

# INTERNAL MANAGEMENT OF OUTBREAKS

9



# DTIC AND ENTITIES SPENDING ON PPP

Item	Expenditure
Masks	R274 100,00
Gloves	R3 361,80
Sanitisers	R138 282,20
Antibacterial fogging/Disinfection	R33 718,42
Triger bottle spray 500ml	R3 890,00
Thermometers non-contact	R34 000,00
<b>Total</b>	<b>R487 352,42</b>

THANK YOU

# ANNEXURES

# ECONOMIC MEASURES

- **SUGAR INDUSTRY – FOOD SECURITY**

- To promote food security and assist small-scale farmers during and after the Covid-19 pandemic, Government fast-tracked approval of a Sugar Master Plan
- The Sugar Industry - including industrial users, retailers, millers and growers – have reached agreement on a commitment to procure at least 80% of sugar needs from South African producers
- In return, South African producers have agreed to manage prices by limiting cost increases to inflation
- Other provisions cover a long-term restructuring plan for the sector
- The agreements forms part of the Sugar Masterplan which was agreed by participants in early April 2020, to phase in a restructuring and stability programme for the industry
- A designation under the Competition Act has now been agreed after consultation with the Competition Commission, which will enable consultations between industry participants and Government to restructure the industry, while opening up diversified revenue sources for the industry, including small-scale and black farmers



# ECONOMIC MEASURES (cont.)

- **NATIONAL CREDIT ACT – CONSUMER ACCESS TO FINANCE**
  - The National Credit Regulator has issued a circular providing guidelines to banks who wish to make emergency loans available to consumers during COVID-19
  - The emergency loan provisions can be used to provide credit to consumers who suffered a loss in income; destruction of property or experienced death in the family
  - The provisions also make allowance for consumers who need access to finance to support family members and friends who have lost income during the COVID-19 disaster
  - Emergency loans suspend some of affordability criteria in the Act, making it easier for consumers to access finance
  - To further support access to finance, it is expected that microfinance lenders will be allowed to operate during Level 3 of the lockdown

# SALE OF CARS AND EMERGENCY AUTO REPAIRS

- Alert Level 4 Regulations provided for automotive retail sector to commence operations subject to directions
- The DTIC met with the automotive sector on 4 May 2020 to consult with them, based on the need to manage social distance and protect both customers and employees
- The industry in discussion with DTIC proposed a phasing in of activity over a period of a 4 weeks
- On 12 May 2020, the directions were issued following consultations within Government
- In terms of the directions, all Passenger Cars, Light Commercial Vehicles, Medium Commercial Vehicles, Heavy Commercial Vehicles, Extra Heavy Commercial Vehicles, inclusive of buses, motorcycles, trailers, caravans can be sold, and repaired
- During Phase 1, (12 May to 24 May) dealerships commence with 30% employment levels, and to sales through online platforms
- During Phase 2, (24 May to 8 June) dealers increase employment to 50% levels and welcome customers by appointment
- During Phase 3, (8 June onwards) dealers increase employment up to 100%
- Strict hygiene and social distance protocols have been established throughout each Phase

# SALE OF CLOTHING, BEDDING AND FOOTWEAR

- The Alert Level 4 Regulations enabled the sale and manufacture of winter clothing, in addition to children, toddler and baby clothing
- Incremental opening of clothing was done to avoid large numbers of shoppers overwhelming the sector as it just opened up
- On 4 May 2020, the DTIC met with clothing and footwear retailers, along with key manufacturing associations and organised labour
- Industry representatives suggested that a standard list should be adopted by the industry to ensure that each retailer complied with the same standard
- The list was developed by clothing retailers in consultation with manufacturers and labour
- The final list was consulted was accepted by Government as appropriate and gazetted in the form of an official direction on 12 May

# E-COMMERCE SALES

- The Alert Level 4 regulations allowed for incremental opening up of e-Commerce platforms to goods not sold in brick and mortar stores
- e-Commerce is an important retail platform; however appropriate health and safety protocols need to be put in place which can allow the full e-Commerce supply chain to operate safely while mitigating the risk of it becoming a vector for transmission of the coronavirus.
- Greater levels of e-Commerce for goods that are normally not for sale in retail stores, can introduce increased health risks by greater movement of courier or delivery service personnel, and hence health and safety protocols are important to mitigate this risk.
- DTIC engaged with major retailers, e-Commerce platforms and retail associations on the impact of opening e-Commerce more widely
- As part of the engagement, major e-Commerce platforms committed to give prominence to those goods which are manufactured in South Africa, in order to limit the social and economic hardship caused by the pandemic on local industries and enable consumer choice to support local producers
- E-Commerce platforms committed to expand payment options to drive greater levels of inclusion and to reach a broader spectrum of South Africans

# COMPETITION COMMISSION FOCUS

- The Commission has achieved a number of settlements and consent orders with several respondent firms. Competition Tribunal has confirmed 30 settlements.

Firm	Settlement Terms
Celliers and Heunis CC t/a Centrum	Donation of 500 hand sanitisers, 320 face masks, 7 boxes of gloves (700) gloves valued at R25 000.
Main Hardware (Pty) Ltd	Reduction of the net-mark ups to 10% during pandemic period and 6 months afterwards, refund customers that were overcharged.
Evergreens Fresh Market	Reduction of margin on hand sanitiser to 25% or lower, donation of hand sanitisers to the value of R1800 to Tembisa hospital.
Matus(Pty) Ltd	Administrative penalty of R5.9 million, contribution of R5million to Solidarity Fund, ensure that gross profit margins for face masks will not increase during state of national disaster.
MandiniPharmacy	Reduction of mark ups by 20%, and donation of essential products to Mandini child welfare.

# COMPETITION COMMISSION FOCUS

- The Competition Commission has also concluded other work in the context of both COVID-19 and addressing market structure more generally:
  - On 18 May 2020, the Competition Commission released their enforcement guidelines on buyer power, which seeks to protect SMEs and black-owned suppliers to large firms from abuses of negotiating power in the retail, agriculture, agro-processing and e-Commerce sectors
  - On 13 May 2020, the Competition Commission reached agreement with Shoprite Checkers to stop the use of exclusive leases in retail malls which prevent other small retailers from competing in those shopping centres. This agreement has come directly from the Grocery Retail Market Inquiry which was concluded in November 2019.
  - On 30 April, the Competition Commission reached agreement with MTN on package which reduces data costs for consumers, and provides access to free browsing, messaging and educational and government websites
- Each of these developments will have important impact in South Africa's economic recovery post COVID-19 and paves the way for greater access and competition
- The Competition Commission will be shifting focus to tackle excessive pricing in PPE procurement in close collaboration with other law enforcement agencies.



# COMPETITION TRIBUNAL: ADJUDICATIVE IMPACT OF COVID-19

- Tribunal issued Directives to deal with COVID-19 cases on an expedited basis
- Consent orders decided within 2-8 days from the date of filing of the consent order
- Exceeded 2 days where Tribunal required more detailed pricing information
- Heard and decided 31 consent orders since lockdown started
- Penalties of R 8 004 952.00 imposed
- Largest penalty, R 5 949 542.00, awarded against Matus for excessive pricing of face masks
- Most consent orders settled without a fine as they involved small businesses
- Most settlements included a reduction in margins and donations of hand sanitisers/face masks to charities and pledges/ donations to the Government's Solidarity Fund
- Tribunal has heard two contested Covid-19 Excessive Pricing cases for FFP1 masks – (i) Babelegi Workwear and Industrial Supplies CC and (ii) Dis-Chem

# COMPETITION TRIBUNAL: ADJUDICATIVE IMPACT OF COVID-19

- In the two contested matters involving Babelegi and Dischem - the Tribunal found that both Babelegi and Dis-Chem had charged excessive prices for face masks in contravention of section 8(1)(a) and ordered Babelegi to pay an administrative penalty of R76 040 and Dis-Chem to pay an administrative penalty of R1 200 000 (one million two hundred thousand rand).
- Babelegi and Dischem have appealed the decisions.

# COMPETITION COMMISSION FOCUS

Hennox and Sicuro	Sicuro Safety CC (Sicuro) and Hennox 638 CC t/a Hennox Supplies (Hennox) admitted that they increased their gross profit margins for FFP1 face masks during March 2020 in contravention of the Act
Matus	Commission obtained information against Matus in relation to inflated prices of dust face masks (FFP1 and FFP2 masks) that it was charging its customers in March 2020.
Centrum Pharmacy	Commission investigated Centrum Pharmacy's conduct and found, among others, that the pharmacy's average mark-up in respect of facial masks for March 2020 was in excess of 100%
Evergreens Fresh Market	The Commission found that Evergreens' average margin in respect of hand sanitisers for March 2020 was approximately 33.4%.
Van Heerden Pharmacy 1	The Commission investigated and concluded that there was no justification for significant price increases for face masks effected between February and March 2020
Van Heerden Pharmacy 2	
Weleda Pharmacy	The Commission found that the average cost mark-up of approximately 50% and gross profit margin of 33.33% in respect of 500ml hand sanitisers for March 2020
Seaside / Merlot Pharmacies	The Commission found that Seaside Pharmacy's average cost mark-up of 63.04% and gross profit margin of 38.67% in respect of hand sanitisers and average cost mark-up of 44.95% and gross profit margin of 31% in respect of face mask in March and April 2020
Domoney	Bloemfontein-based supplier that on-sells face masks to customers, found marking up the price of its dust masks by 56% in February 2020 and 262% in March 2020.
Mandini	A Commission investigation found that Mandini Pharmacy ordered face masks from a supplier with the intention to resell to its customers. It did not sell face masks before March 2020 but decided to source face masks due to the sudden demand and panic-buying

# COVID CONSENT ORDERS AND SETTLEMENT AGREEMENTS

Case Name	Sections of the Act	Date of Decision	Penalty Amount	Conduct	Donation
CC And Domoney Brothers Bloem	8(1)(a) and Regulation 4	14/05/2020	R 0.00	Excessive pricing of face masks	Donation to the value of R 30 040 to the Solidarity fund and R 30 040 worth of face shields to the Carel du Toit School for the Deaf, Universitas and Pelonomi Hospitals.
CC And Van Heerden Pharmacy Group	8(1)(a) and Regulation 4	06/05/2020	R 30,000.00	Excessive pricing of face masks	Donation to the value of R3 875.00 to the Solidarity Fund
CC And Matus	8(1)(a) and Regulation 4	06/05/2020	R 5,949,542	Excessive pricing of face masks	Donation to the value of R 5 050 458.00 (amount claimed as confidential) to the Solidarity fund

# COVID CONSENT ORDERS AND SETTLEMENT AGREEMENTS

Case Name	Sections of the Act	Date of Decision	Penalty Amount	Conduct	Donation
CC And C Sanua t/a Naturally Yours Weleda Pharmacies	8(1)(a) and Regulation 4	14/05/2020	R 0.00	Excessive pricing of hand sanitizer	Donation to the value of R 18 750.00 to the Solidarity Fund.
CC And Retrospective Trading 200 t/a Seaside Pharmacy	8(1)(a) and Regulation 4	14/05/2020	R 0.00	Excessive pricing of hand sanitizer and face masks	Donation of R 16 832 to the Solidarity Fund.
CC And Mandini Pharmacy	8(1)(a) and Regulation 4	07/05/2020	R 0.00	Excessive pricing of Face masks	Donate essential goods to the value of R 300.00 to Mandini Child Welfare.
CC And Sicuro Safety and Hennox 638	8(1)(a) and Regulation 4	21/05/2020	R 1,500,000.00	Excessive pricing of face masks	Donation to the value of R200 000.00 to the Solidarity Fund

# COVID CONSENT ORDERS AND SETTLEMENT AGREEMENTS

Case Name	Sections of the Act	Date of Decision	Penalty Amount	Conduct	Donation
CC And Cedar Pharmaceuticals t/a Bel-Kem	8(1)(a) and Regulation 4	26/05/2020	R 0.00	Excessive pricing of Dettol sanitizer	Donation to the value of R 1 059.10 to the Solidarity Fund
CC And Sunset Pharmacy	8(1)(a) and Regulation 4	26/05/2020	R 0.00	Excessive pricing of face masks	Donation to the value of R 8 640.00 to the Solidarity Fund
CC And Manhattan Cosmetics	8(1)(a) and Regulation 4	26/05/2020	R 0.00	Excessive pricing of hand sanitizer	Donate hand sanitizers to the value of R 612 to Durban Child and Youth Care Centre
CC And N Bhabikan t/a T.N.T Basic Trading	8(1)(a) and Regulation 4	02/06/2020	R 0.00	Excessive pricing of face masks	Donate 182 boxes of 3-ply surgical face masks to the value of R150,250 to various charities

# COVID CONSENT ORDERS AND SETTLEMENT AGREEMENTS

Case Name	Sections of the Act	Date of Decision	Penalty Amount	Conduct	Donation
CC And Auction and Salvage Net	8(1)(a) and Regulation 4	02/06/2020	R 0.00	Excessive pricing of face masks	Donation to the value of R 9521.74 to the Solidarity Fund
CC And Samys Wholesalers	8(1)(a) and Regulation 4	11/06/2020	R 0.00	Excessive pricing of hand sanitizer	Donate hand sanitizer to the value of R 4000.00 to various charities in Kimberley
CC And Cilliers and Heunis	8(1)(a) and Regulation 4	20/04/2020	R 0.00	Excessive pricing of face masks	Donate hand sanitizers, surgical gloves and face masks to the value of R 25 410.00 to two old age homes
CC And Main Hardware	8(1)(a) and Regulation 4	23/04/2020	R 25,410.00	Excessive pricing of surgical gloves	Will refund customers for overcharge.
CC And Evergreens Fresh Market	8(1)(a) and Regulation 4	30/04/2020	R 0.00	Excessive pricing of hand sanitizer	Donate hand sanitizer to the value of R1800.00 to the Tembisa Provincial hospital.

# COVID CONSENT ORDERS AND SETTLEMENT AGREEMENTS

Case Name	Sections of the Act	Date of Decision	Penalty Amount	Conduct	Donation
CC And Sanitech	8(1)(a) and Regulation 4	02/07/2020	R 0.00	Excessive pricing of hand sanitizer	Donate R 65 000 to Solidarity Fund
CC And Vasilis Supermarket t/a Vasilis Cleaning Supplies	8(1)(a) and Regulation 4	02/07/2020	R 0.00	Excessive pricing of gloves and face masks	Donate R 243 148.70 to a number of charities and donate R 44 128.51 to Solidarity Fund
CC And Farpoint Trading 31 CC t/a Mica Durban North	8(1)(a) and Regulation 4	06/07/2020	R 0.00	Excessive pricing of hand sanitizer	Donate hand sanitizer to value of R 33 900.00 to various named non-profit welfare organisations
CC v West Coast Hardware	8(1)(a) and Regulation 4	06/07/2020	R 0.00	Excessive pricing of face masks	Donate R 6074.63 to Solidarity Fund
CC v Caprichem	8(1)(a) and Regulation 4	06/07/2020	R 500 000	Excessive pricing of hand sanitizer	Donate R 100 000 to Solidarity Fund

# COVID CONSENT ORDERS AND SETTLEMENT AGREEMENTS

Case Name	Sections of the Act	Date of Decision	Penalty Amount	Conduct	Donation
CC And Mica Barberton	8(1)(a) and Regulation 4	08/07/2020	R 0.00	Excessive pricing of face masks	Donate R 10 000 to Solidarity Fund
CC And Eldoram Dienste CC t/a Eldopark Pharmacy	8(1)(a) and Regulation 4	08/07/2020	R 0.00	Excessive pricing of Face masks	Donate R 5500 to Solidarity Fund
CC And Green Hygiene	8(1)(a) and Regulation 4	08/07/2020	R 0.00	Excessive pricing of hand sanitizer	Donate R 8079to Solidarity Fund
CC And D I Fraser CC t/a Umhlanga Medisport Pharmacy	8(1)(a) and Regulation 4	13/07/2020	R 0.00	Excessive pricing of Face masks and hand sanitizer	Donate R 20 000 to child support charity
CC And Stelkor Pharmacy	8(1)(a) and Regulation 4	13/07/2020	R 0.00	Excessive pricing of surgical masks	Donate R 12 500 to Solidarity Fund

# COVID CONSENT ORDERS AND SETTLEMENT AGREEMENTS

Case Name	Sections of the Act	Date of Decision	Penalty Amount	Conduct	Donation
CC And Steelmate	8(1)(a) and Regulation 4	13/07/2020	R 0.00	Excessive pricing of face masks	Donate R 5 662 to Solidarity Fund
CC And Food Lovers Holdings	8(1)(a) and Regulation 4	13/07/2020	R 0.00	Excessive pricing of raw ginger	Donate essential goods worth R 18 579 to Mohlakeng Old Age Home
CC And Cambridge Food	8(1)(a) and Regulation 4	28/07/2020	R 0.00	Excessive pricing of Top Super Maize Meal	Donate essential goods worth R 24 947 to a home-based care project
CC And Rand Safety Equipment	8(1)(a) and Regulation 4	06/08/2020	R 0.00	Excessive pricing of face masks	Donate R 8 284 to Solidarity Fund
CC And Mzanzi Meat and Chicken	8(1)(a) and Regulation 4	06/08/2020	R 0.00	Excessive pricing of large and medium eggs	Donate R 12000 to Solidarity Fund

# RESPONSE MEASURES TO POSITIVE CASES REPORTED WITHIN DTIC CAMPUS

- Standard Operating Procedure (SOP) in place to ensure effective and systematic management of cases. The SOP addresses the following:
  - Core Team established and assigned activities
  - Effective and transparent communication to staff by the Compliance Officer
  - Contact-tracing, self-isolation for asymptomatic contacts and testing & self-quarantine for symptomatic contacts.
  - Effective system of internal reporting and weekly reporting to dpsa
  - Shutting down and decontamination of affected areas