



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

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## **MEDIA STATEMENT**

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The National Treasury welcomes the release of the Executive Overview of the Banking Enquiry Report by the Competition Commission of South Africa. The Enquiry Panel comprising of Mr Thabani Jali (Chairperson), Mrs Hixonia Nyasulu, Mr Oupa Bodibe and Adv. Rob Petersen SC are to be congratulated for their commitment, professionalism and integrity observed over the process. The extensive public participation should also be applauded.

Competition and efficiency in the financial sector are significant priorities for the National Treasury, and we strongly support the public interest in this regard. The National Treasury therefore acknowledges the release of the Banking Enquiry report as a crucial first step towards achieving greater competition in the retail banking sector. The report is well positioned to inform a policy debate that promotes the objectives of providing accessible, affordable and good quality banking services to all South Africans. The primary objective of protecting consumers and promoting growth through ensuring financial system stability still remains key. Importantly, it must be recognised that the report in itself does not constitute this debate, but initiates such debate.

The Banking Enquiry report is intended to advise the Competition Commissioner on competition issues in retail banking in South Africa. Although the Panel embarked on extensive consultation process since its inception in August 2006, such consultation was not conducted as part of the legislative powers of the Commission and does not constitute an investigation. The Commissioner has a responsibility to make the report public in order to facilitate a response from Government, the banking sector and the general public, before deciding on whether to proceed with any investigation in terms of section 49B of the Competition Act.

With these issues in mind, Government is committed to putting in place a process to explicitly consider each proposal and its impact on the industry and

consumers, concluding in a policy response for the Competition Commission over 2008/2009.

To minimise any adverse impact on the market and to agree with Government on how to proceed in responding to the report, the Competition Commissioner has in the last two weeks initiated consultations with Government and the banking and national payments system regulator over the main recommendations of the summary report.

Besides noting that some of the recommendations have over the course of the enquiry already been partially implemented, both independently by the banking sector and through new legislation passed, the National Treasury is studying both the Executive Overview and the full report and will comment at an appropriate time.

For media enquires please contact Thoraya Pandy on 082 416 8416 or Lindani Mbunyuzwa on 083 327 9987.

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