4TH ANNUAL COMPETITION AND ECONOMIC DEVELOPMENT (ACER) CONFERENCE

JOHANNESBURG, SOUTH AFRICA, 19 – 20 JULY 2018

Industrial incentive programs and competition policy; friends or foes? Evidence from South Africa

Authors: Linton Reddy[1] and Mmamoletji Oniccah Thosago[2]

Linton.Reddy@dnaeconomics.com; Mmamoletji.Thosago@dnaeconomics.com

Abstract: There is a well-known, long standing tension between competition and industrial policy. Developing countries such as South Africa are more susceptible to adverse outcomes if there is a misalignment between these policy initiatives. The Department of Trade and Industry (DTI) has also been vocal on the impact of competition policy on trade reforms arguing that it limits policy discretion.

Ordinarily the mandate of industrial policy is to, among others, enhance competitiveness, ensure job retention, and maximise manufacturing value, revenue capabilities and employment, at the sector level. Competition policy whilst seeking a similar objective, focuses on achieving a more equitable distribution of these gains, and is concerned with firm level behaviour.

Considering these tensions, this study seeks to understand the current interaction between industrial policy and competition policy in South Africa. The objective of this paper is to assess whether the structure of specific incentive programs may have generated unintended consequences, and in doing so, contributed towards industrial-competition policy tension.

JEL classifications: L1; L20; L52

[1] Linton Reddy is an Economist at DNA Economics.
[2] Mmamoletji Thosago is an Economist at DNA Economics.

1. Introduction

There is a well-known, long standing tension between industrial and competition policy. Broadly speaking the mandate of industrial policy is to enhance sector (international) competitiveness, ensure job retention, and maximise manufacturing value, revenue capabilities and employment. Competition policy is more closely focused on achieving an equitable distribution of the gains from competition and is concerned with domestic firm level behaviour.

The use of incentives in industrial policy arguably has a longer history than effective competition regulation. However, competition policy has in the recent past, become much more embedded in the functioning of economies. According to Jenny (2016), globally the number of competition authorities have increased by approximately 40 over the last two decades. As a result, competition policy is increasingly coming into conflict with standard practice in industrial policy, and greater care needs to be taken in ensuring that such conflicts are minimised.

Globally, states offer business incentives to local firms for several purposes, ranging from increasing economic growth to improving sustainability. Ideally, incentives should be aligned to a country's comparative advantages (Black et al, 2016), encouraging firms to make use of abundant local resources, including unskilled and semi-skilled labourers for developing countries.

Observing reforms that have occurred globally provides evidence of the interaction between these two sets of policies. Roberts (2017) highlights that following earlier periods of rapid industrialisation in Japan and South Korea, sound competition policy was required to ensure competitively functioning markets. Earlier industrial policy, according to Roberts (2017), was unbalanced and necessitated the need for a more active competition policy to address positions of dominance. In a developing economy, where inclusivity is pursued, sound competition policy is required to ensure that not only a few firms benefit from protectionist policies, such as import restrictions (Roberts 2017 citing Kyu-Uck Lee, 1997).

South Africa as a developing economy is not immune from these issues. The Department of Trade and Industry (DTI) has previously been vocal on the impact of competition policy on trade reforms. According to the Deputy Director General for Industrial Development Policy at the DTI, Mr Garth Strachan, "overzealous competition law can neuter industrial policy".[3] Strachan has highlighted that the DTI previously attempted to designate heavy metal machinery for local procurement, but this move was halted by the Treasury due to potential competition concerns. This, according to Strachan, limits the space in which the DTI can create additional policy instruments.

Despite these challenges, the DTI has recently indicated its support for the proposed amendments to the Competition Act Amendment Bill.[4] Specifically, the DTI has common concerns with the Competition Commission, regarding the excessive concentration levels of ownership in the South African economy. Such market structures are fertile ground for

[3] fin24
[4] DTI Media Statement

anticompetitive behaviour, with the potential to distort a number of competition outcomes such as artificially increasing prices, reducing quantities as well as raising barriers to entry for potential entrants. This stifles the country's transformation goals.

This study will examine the tensions between industrial policy and competition policy in South Africa. The objective of this paper is to assess how the structure of incentive programs could have generated unintended consequences in terms of competition outcomes. To do so, the paper uses publicly available information on the DTI's Manufacturing Competitiveness Enhancement Programme (MCEP), and the use of these incentives in the agro-processing sector.

The remainder of the paper is structured as follows. Section 2 reviews the MCEP design and criteria, and its grant allocation, further analysing firms in the agro-processing sector. The main observations flowing from this review and our concluding remarks are presented in Section 3.

2. South African Case Study: MCEP

2.1. Overview of MCEP

An ongoing policy priority of the South African government is the promotion of economic growth. Following the global financial crisis of 2007/08, a focus on stimulating the manufacturing sector was identified as a means to grow various (sub) sectors and thus the economy. In order to drive this initiative, the DTI established a manufacturing incentive, the Manufacturing Competitiveness Enhancement Programme (MCEP). This analysis focuses on the DTI's MCEP, with further emphasis on the agro-processing sector. MCEP, although designed to counter the effects of the global financial crisis, was only implemented in 2012/13. Whereas the incentive was expected to run until 2017, with a total budget of R5.75 billion (later increased to R6.9 billion), these funds were committed earlier than expected, and new applications were suspended in October 2015.

Structure of MCEP

The MCEP incentive comprised of two main components; namely a series of grants administered directly by the DTI, and a working capital loan facility administrated by the Industrial Development Corporation (IDC). More than 80% of all disbursements were made in the form of cash grants, thus our paper focuses on the grant component administered by the DTI.

The grant component was broken down further into five sub-programmes, namely, capital investment, green technology and resource efficiency improvement, enterprise-level improvement, feasibility studies, and cluster competitiveness improvement; and the loan component into two distinct facilities. These are the pre/post-dispatch working capital facility and the industrial policy niche projects fund.

In order to qualify, all MCEP applicants were required to be registered in South Africa. Entities were further required to provide an entity diagnosis report (which would detail the firm's investment needs and expected benefits), a cleaner production report (where applicable), business registration certificates, a valid tax clearance certificate and audited or independently reviewed financial statements.[5]

[5] See MCEP guidelines

Furthermore, it was expected that firms applying for the MCEP should be at least a level four Broad-Based Black Economic Employment (B-BBEE) contributor in terms of the B-BBEE Codes of Good Practice. This criterion was relaxed somewhat to allow firms that were not accredited to submit a plan, to demonstrate how they would achieve the set minimum B-BBEE contributor status within four years. In this regard, the initial guidelines had proposed a 2-year period, but this was relaxed to allow for a four-year period on the launch of the programme.

MCEP approvals

Table 1 below illustrates the trend in MCEP approvals over time. As noted before, while the MCEP was expected to run until 2017, funds were committed earlier than expected, leading to the DTI's suspension of the programme in October 2015. The most active year for the program was 2013/14, when R2.8 billion was issued to 365 approved entities, receiving on average R7.7 million each.

Table 1: MCEP approvals (2012/13 – 2015/16)

Financial Year	Number of Approved Entities	Number of Approved Agro-processing Entities	Value of approvals (ZAR)	Projected investments (ZAR)	Agro-processing approvals (ZAR)	Average value of agro-processing approvals (ZAR)
2012/13	197	69	R983 mn	R4.2 bn	R383 mn	R5.6mn
2013/14	365	115	R2.8 bn	R11.7 bn	R1 bn	R8.7mn
2014/15	334	97	R1.3 bn	R5.5 bn	R365 mn	R3.76mn
2015/16	258	93	R1.9 bn	R9.4 bn	R799 mn	R8.59mn
Total	**1 154**	**374**	**R6.9 bn**	**R30.8 bn**	**R2.5 bn**	**R6.7mn**

Source: the DTIi, 2017[6], and IDAD 2017[7]

According to reported MCEP projected investments, for every R1 provided as financial support to approved firms, the DTI projected that a further R4,46 would be invested by the private sector. The extent to which these returns were achieved is currently unknown.

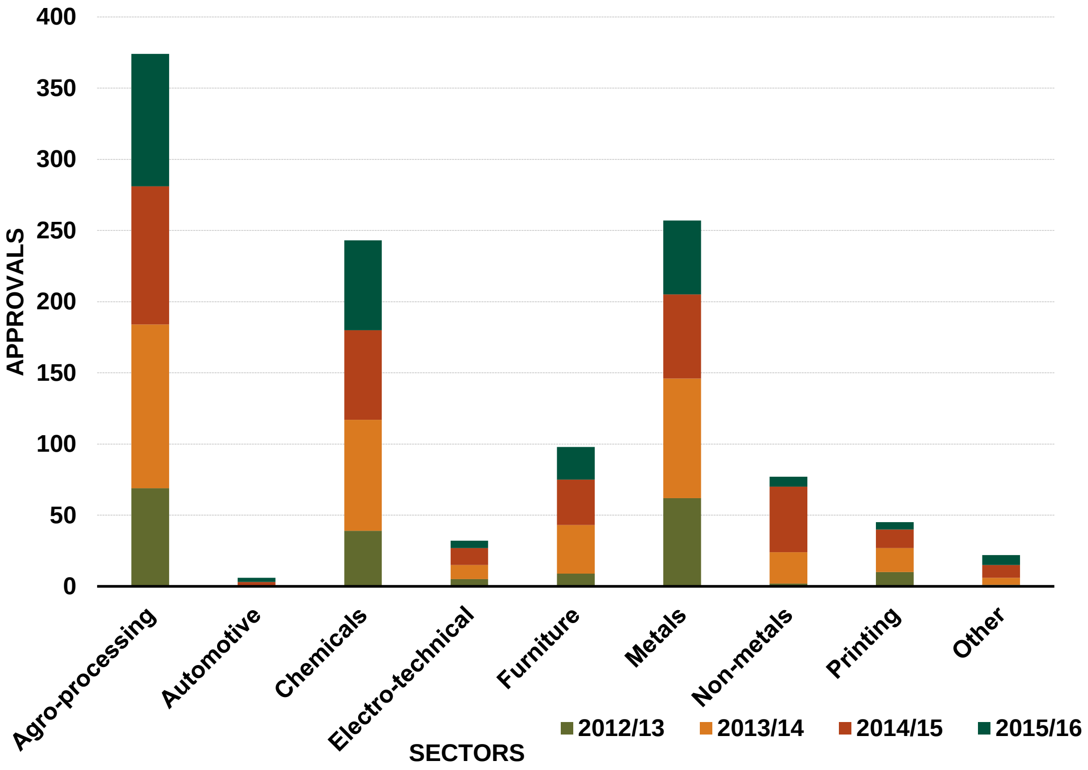
MCEP: Agro-processing

Although agro-processing is a manufacturing sub-sector, substantial parts of the agro-processing sector comprise of capital and labour as complements rather than substitutes (Zalk, 2014). This makes it of particular interest from the point of view of South African industrial policy, as growth in this sector is thus more likely to generate employment.

In terms of the sectoral breakdown of MCEP recipients, the largest category of supported firms was in the agro-processing sector. As shown in **Error! Reference source not found.** below, agro-processing sector approvals (69 in 2012/13, and 93 in 2015/16), were followed by the chemicals, plastics and pharmaceuticals sector (39 in 2012/13 and 63 in 2015/16) and the metals sector (62 in 2012/13, and 52 in 2015/16). The boat making sector did not originally qualify for MCEP support and was only added in 2014/15.

[6] The DTI. 2017. 2015/16 Incentive Monitoring Report.
[7] Incentive Development and Administration Division (IDAD). 2017. 2014/15 Performance Report. Available: http://www.dti.gov.za/DownloadFileAction?id=1112 (Accessed: 18 October 2017)

Figure 1: MCEP approvals by sector (2012/13 – 2015/16)

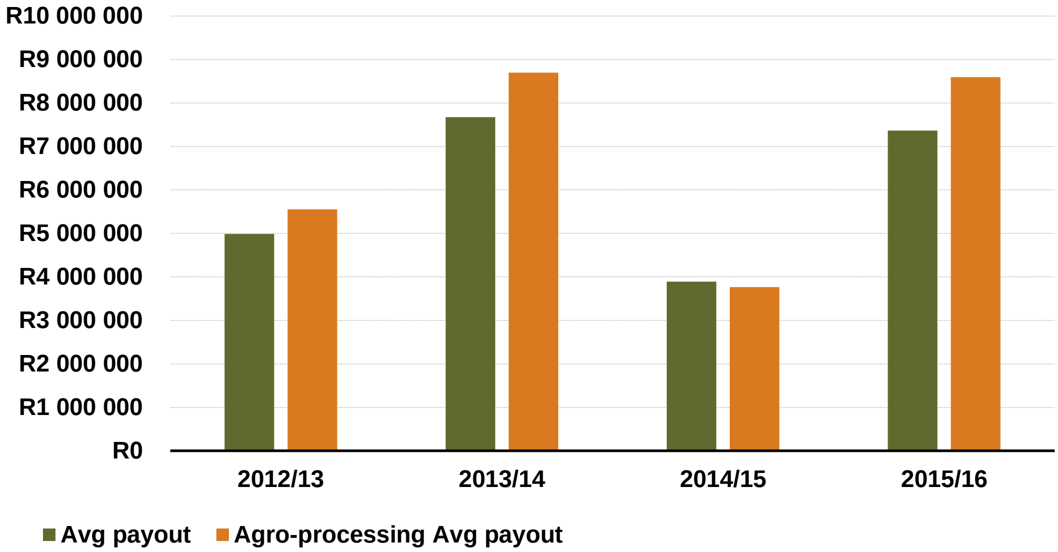


Source: the DTI, 2017. Note: Other comprises Recycling, services, construction and other miscellaneous manufacturing sectors

Agro-processing disbursements comprised approximately one third of total disbursements.[8] As shown in *Table 1*, the average disbursements per agro-processing firm was marginally higher than the overall average. Over the full period shown in **Error! Not a valid bookmark self-reference.**, the average supported firm received R 6,0 million each; while the average per-firm agro-processing claim was R6,7 million. Grant payments were linked to the total investment made by the respective firm and the DTI contributed between 30% and 80% of that amount.

[8] See Table 1. Calculation as follows: (2,5/6,9)*100= 36.2%

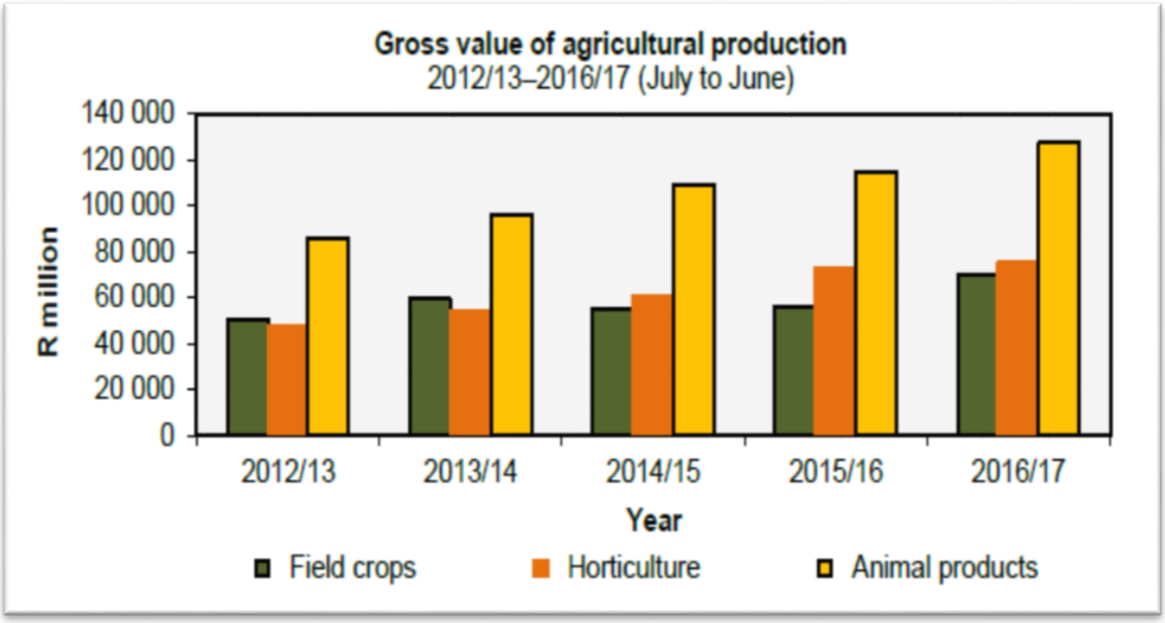
Figure 2: Average value approvals (2012/13 – 2015/16)



Source: Authors' own based on DTI data

Following the initial implementation of MCEP in 2012/13, the largest number of the approved entities were in the agro-processing sub-sector. Therefore, the higher MCEP pay-out towards agro-processing as compared to the other sub-sectors is due to the high number of agro-processing firms that were approved. Relatedly the agro-processing sector which has strong backward linkages to the primary agriculture sector was performing relatively well over the period 2012/2013 to 2016/2017. *Figure 3* below shows the gross value of agricultural production increasing steadily over the aforementioned period.

Figure 3: Gross value of agricultural production 2012(June) - 2017(July)



Source: DAFF 2017, Economic Review of the South African Agriculture 2016/17[9]

[9] DAFF. 2017. Economic Review of the South African Agriculture 2016/17

Firms were allowed to apply for multiple MCEP components. These components include capital investment, green technology and efficiency improvement, enterprise-level competitiveness improvement, feasibility studies, cluster competitiveness improvement, pre/post-dispatch working capital facility, and industrial policy niche projects fund. *Table 2* briefly describes the various components that firms could apply for.

Table 2: Terms and specific criteria of MCEP sub-programmes

MCEP Sub-programme	Objectives	Specific criteria	Terms
1. Capital investment	• Support capital investment in equipment upgrading and expansions that will lead to creation of new jobs and retention of existing jobs.	• Minimum investment differs by firm size • Qualifying assets include machinery, buildings and equipment	• Cost-sharing of 30% to 50%, depending on firm size • Maximum grant of R30 mn • 10% bonus grant for meeting additional jobs or local procurement thresholds
2. Green Technology and Resource Efficiency Improvement	• Support projects with green technology upgrades and business development activities that will lead to cleaner production and resource efficiency as well as engineering and conformity assessment services that support the green economy through the manufacturing sector.	• Cleaner production and/or resource efficiency audit or green technology assessment report	• Cost-sharing of 30% to 50%, depending on firm size • Maximum grant of R20 mn • 10% bonus grant for meeting additional jobs or local procurement thresholds
3. Enterprise-level Competitiveness Improvement	• Enhance the competitiveness of enterprises through the enhancement of conformity assessments and improving processes, products and related skills development through the use of business development services.	• Approval based on qualifying costs incurred and employment retention	• Cost-sharing of 50% to 70% depending on firm size • Maximum grant ranges between R2 mn and 10 mn depending on firm size
4. Feasibility studies	• Facilitate feasibility studies that are likely to lead to bankable business/project plans that will result in investment in new components or products or processes not currently manufactured or performed by the applicant or creation of new markets that will result in a substantial increase in manufactured products of the applicant as well as conformity assessment services not currently available in the country.	• Positive impact on other developmental aspects including job creation, skills development, linkages with SMMEs and black business empowerment. • Buy-in from private and public-sector organisations	• Cost-sharing of 50% or 70% depending on firm size • Expected project minimum investment between R5 mn to R30 mn, depending on enterprise type • Maximum grant ranges between R1 mn and R8 mn, depending on enterprise type

5. Cluster competitiveness improvement	• Support sustainable economic growth and job creation needs of South Africa by providing financial assistance to clusters and partnerships of companies, engineering services and conformity assessment services in the manufacturing industry to define and implement collaborative projects related to production and marketing that will enhance their productivity and international competitiveness.	• Projects aimed at improving productivity and competitiveness of member companies	• Cost-sharing of 80% • Maximum grant of R50 mn
6. Pre/post-dispatch working capital facility	• Offer finance to manufacturers at a preferential interest rate that will lead to improved competitiveness by reducing the cost of finance.	• Possess a confirmed contract or purchasing order or order that forms part of the SOE's competitiveness supplier programme	• Working capital facility of up to R50 mn at a 6% fixed interest rate
7. Industrial policy niche projects fund	• Focus on new areas with potential for job creation, diversification of manufacturing output and contribution to exports.	• Projects that focus on new areas with the potential for job creation, as identified by the dti and the IDC	

Source: the DTI, 2017[3]

2.2. Agro-processing and competition enforcement

Agro-processing provides a useful illustration of the potential conflict between industrial policy and competition policy. While a number of agro-processing firms have benefitted from the MCEP, the Competition Commission of South Africa has also investigated a number of listed dominant firms in the agro-processing sector on a wide range of contraventions, including price fixing, market allocation and abuse of dominance concerns. We have reviewed the data contained in DTI's Incentive Development and Administration Division reports, the Competition Commission reports, Competition Tribunal decisions, and the public disclosures made by MCEP supported listed firms, to analyse whether there is any potential conflict between industrial policy through incentives and competition policy.

As shown in the table overleaf, we have identified four agro-processing firms who have received MCEP benefits and been subject to competition compliance processes, namely Clover SA (Pty) Ltd, Astral Foods Ltd, Rhodes Food Group Holdings and Woodlands Diary. Observing the distribution of funds, we highlight that three of the four firms used the grant for capital expenditure purposes. These large (potentially dominant) firms made large investments and received more than the average MCEP grant pay-outs.

Grants are offered on a cost-sharing basis with a maximum grant of R30 million. The cost-sharing grant percentage is differentiated by firm size. The table below presents the cost sharing basis as per firm size.

Table 3: Grants cost sharing qualification

Total assets' historical cost	% of grant qualification
Applicants with total assets with a historical cost below R5 million	Qualify for a grant of 50% of investment cost, but the grant may not exceed R5 million
Applicants with total assets with a historical cost of at least R5 million but less than R30 million	Qualify for a grant of 40% of investment cost
Applicants with total assets with a historical cost of R30 million and above	Qualify for a grant of up to 30% of investment cost

Source: the DTI[10]

Based on the above table, it is observed that there are higher thresholds for larger firms, and they receive comparatively smaller grants. For example, assuming a smaller firm that has a historical cost of assets of R5mn applies for a maximum grant of up to R5mn, the respective firm will obtain a R2,5mn disbursement. Similarly, if a large firm that has assets with historical cost of at least R30mn, applies for a grant of up to R30mn, it will obtain a R9mn disbursement. Thus, although smaller firms receive favourable treatment in terms of cost-sharing, firms with deeper pockets were able to secure a greater overall amount of support. This may have helped large firms in securing their dominant position in the market.

[10] the DTI. MCEP guidelines

Table 4: Some of agro-processing firms supported (MCEP payments and competition cases)

Company	Year	Competition case	Competition settlement (ZAR)	MCEP injection (ZAR)	MCEP usage
Clover SA (Pty) Ltd	2011	Supreme Court ruling in Sep 2010: The Competition Commission has withdrawn its case against Clover Industries Limited and Clover SA (Pty) Ltd, Nestle SA (Pty) Ltd, Parmalat (Pty) Ltd and Ladysmith Cheese (Pty) Ltd, the remaining respondents in its long running prosecution of the milk processors that started in December 2006. This prosecution related to, among other allegations, price fixing conduct. Clover applied for leniency in respect of some of these allegations.	Withdrawn		
	2014			32 106 000	Purchase of certain items of property, plant and equipment.
	2015			38 055 000	Purchase of certain items of property, plant and equipment.
Astral Foods Ltd	2012	Astral has admitted to colluding with its competitor to fix the price of fresh poultry in the Western Cape. Astral has also admitted that the terms of its Elite joint venture were an abuse of dominance and had an exclusionary effect undermining Country Bird's ability to compete.	16 732 894		
	2013			36 000 000	Approved for MCEP, Green Technology and Resource Efficiency component, predominantly for investment in cleaner production and upgrading of production facilities to improve the production processes and achieve competitiveness in the food market.
Rhodes Food Group Holdings	2014	In 2009 the Competition Commission initiated a complaint against the group for a possible contravention in terms of the Competition Act in relation to the supply of canned fruit for export. The alleged conduct took place in 2006 and the group had taken legal advice at the time that the Competition Act did not apply to exports. Ahead of the listing on the JSE, the group entered into a settlement agreement with the Competition Commission and agreed to an administrative penalty of R1.2 million. The Competition Tribunal confirmed the agreement as an order on 8 October 2014.	1 223 391		
	2016			27 262 000	The Group received a government grant for capital expenditure of R27.262 million which was offset against the cost incurred in 2015.

Company	Year	Competition case	Competition settlement (ZAR)	MCEP injection (ZAR)	MCEP usage
Woodlands Diary	2009	The Commission initiated an investigation into anticompetitive behaviour in the milk industry in February 2005. Its investigation found evidence of price fixing for raw and processed milk and the manipulation of the market to restrict competition.	Dismissed		
	2013			25 000 000	The enterprise was approved in July 2012 for the Capital Investment component, including the installation of modern equipment for the milk and cheese production processes. Previously, Woodlands had machinery that packed 6 000 litres [of milk] an hour and the funds from MCEP have allowed the firm to upsize to machinery that packs at 15 000 litres an hour.

Source: Firms' annual reports; the DTI, 2017[11]

[11] The DTI. 2017. 2015/16 Incentive Monitoring Report.

For each of these four firms, an allegation of a contravention of the Competition Act was investigated (with some of the cases subsequently being dismissed or withdrawn), prior to receipt of an MCEP grant. At the time of the MCEP grant award, it was thus public knowledge that these firms had been investigated for competition contraventions, and in two cases these firms had been fined for those contraventions.

The allegations and/or contraventions mainly related to various forms of collusion. Anti-competitive collusive activity typically aims to increase the price of goods and services, and thereby reduce the volume supplied. As such, it involves a reduction in economic activity/employment which is contrary to the objectives of the MCEP. To the extent that these dynamics were considered by the DTI, it is not clear how this has influenced the approval process.

A further concern here is that firms receiving the infrastructure grant would in effect experience a sustained reduction in manufacturing costs, and improvement in operating efficiency, relative to their competitors. The grant itself would thus tend to further unbalance competitive equilibriums in markets where there would already appear to be some evidence of anti-competitive forces. There is therefore some risk that supporting large and dominant firms, some of whom have previously contravened the Competition Act, may create further barriers to market entry for other players.

3. Observations and concluding remarks

Drawing from the previous section and the available literature, the following observations are made on the interaction between industrial policy (in this case a specific incentive, MCEP) and competition policy in South Africa.

Previous contraventions:

As evidenced, two of the four firms that have been recipients of MCEP have also been found to have contravened the Competition Act. In our view a firm that has systematically endeavoured to capture undue rents from the economy, should be viewed with extra scrutiny.

The South African economy is characterised by dominance across the value chain in many sectors. Three of the four agro-processing firms that this paper looked into maintain strong positions in their respective markets. For instance, in 2017 Clover held market share of 82.6% in dairy fruit mix, 46.6% in pure juices, and 61.7% in soy milk.[12] Government subsidies provided to firms with high market shares may enable these firms to increase their market share further, and plausibly exacerbate the disparity between large and small- medium size firms.

There are a number of possible solutions and our high-level review proposes the following (non-exhaustive) suggestions. For example, should a previously guilty firm seek a grant, specific conditions could be placed on the approval, that ensures that the firm does not use the grant to strengthen its position in specific markets where its behaviour has been deemed to be anti-competitive. This may however be difficult to assess and enforce. Alternatively, it may be necessary to apply a moratorium on grant applications for previously guilty firms over a certain period, to allow other firms to access these grants.

Greater cohesion between industrial and competition policy:

Overall there needs to be a closer alignment between competition and industrial policy. If one views industrial policy as a means to grow firms and/or sectors through the use of incentives,

[12] Clover Industries Limited. 2017 Interim Results

and/or offering protection through targeted interventions (such as import restrictions), in the absence of sound competition policy, the gains from this protection may be skewed towards a few, large firms.

The OECD notes that where industrial policy and competition policy co-exist, industrial policy should be respectful of sound competition principles (OECD, 2009). The OECD (2009) further alludes to three considerations which aids in ensuring that both competition and industrial policy are complementary to each other.

The first consideration is that industrial policy should be as far from the market as possible. In this regard the OECD highlights that when support is targeted at a narrow number of sectors or firms, it becomes more difficult for these two policies to function together and may lead to distortionary outcomes. In South Africa, there are approximately 290 dominant firms across multiple sectors. If these larger, dominant firms are able to secure a disproportionate share of government support, it may allow them to widen the gap between themselves and smaller players.

The second consideration is that competition policy should not specifically be designed to, or create the impression that it is opposed to larger firms. Its intent should be to level the playing field for both large and smaller firms.

Lastly, without comprising its mandate, competition policy can be applied with some discretion, and need not conflict with Government's wider socio-economic objectives. Roberts (2010), notes that in general aligning competition principles with industrial policy instruments can encourage long-run competition.

Regulatory capacity:

Meza-Cudar *et al*. (2017), raise the issue that developing countries have much weaker institutions and may not possess the required regulatory capacity to implement complex policies - thereby raising the potential of conflict and risks during implementation (UNCTAD,2010). It is proposed that governments in developing countries should temper their policies to reflect their existing regulatory capacity (Meza-Cudar *et al.* 2017, citing Chang, 2011; IADB).

In South Africa, regulation must therefore be appropriately designed to ensure that neither competition or industrial policy "overreaches", thereby stretching scarce regulatory resources and possibly creating further distortions in the economy. Specifically, insufficient consideration of competition policy, in the design of industrial polices, may create an environment that facilitates anti-competitive conduct (and hinders the effectiveness of the competition authorities). Interestingly, these concerns have been raised as far back as 1995, where the DTI acknowledged, that with properly aligned policies, competitiveness and development would be mutually supporting not contradictory (OECD,2003).

References

Black, A., Craig, S. and Dunne, P. 2014. Capital intensity, industrial policy and employment in the South African manufacturing sector. REDI3x3, working paper no. 23.

Chabane, N., Machaka, J., Molaba, N., Roberts, S., & Taka, M. (2003). *10 year review: Industrial structure and competition policy.* Johannesburg: University of the Witwatersrand.

Guan, J. and Yam, R.C., 2015. Effects of government financial incentives on firms' innovation performance in China: Evidences from Beijing in the 1990s. *Research Policy*, *44*(1): 273-282.

Hanel, P. 2003. Impact of government support programs on innovation by Canadian manufacturing firms. Evaluation of Government funded R&D Activities, Vienna, Austria.

Hevia, C., Loayza, N.V., Meza, C.B, and Claudia, M. 2017. *Industrial policies vs public goods under asymmetric information (English)*. Policy Research working paper; no. WPS 8052. Washington, D.C : World Bank Group.

Incentive Development and Administration Division (IDAD). 2017. 2014/15 Performance Report. Available: http://www.dti.gov.za/DownloadFileAction?id=1112 (Accessed: 18 June 2018).

Industrial Development Corporation (IDC). 2017. Manufacturing Competitiveness Enhancement Programme (MCEP). Available: https://www.idc.co.za/home/idc-products/special-schemes/manufacturing-competitiveness-enhancement-programme.html (Accessed: 13 June 2018).

OECD. 2003. Competition law and policy in South Africa: An OECD peer review. Available: http://www.oecd.org/southafrica/34823812.pdf (Accessed: 20 June 2018).

OECD. 2009. Competition policy, industrial policy and national champions. Available: https://www.oecd.org/daf/competition/44548025.pdf (Accessed: 20 June 2018).

Porter, S., Goldman, I., 2013, A Growing Demand for Monitoring and Evaluation in Africa, *African Evaluation Journal*. 1(1): 1-9.

Roberts, S. 2010. *Constructing a democratic developmental state in South Africa: Potentials and challenges. Chapter 11: Competition policy, competitive rivalry and a developmental state in South Africa*. HSRC Press, Cape Town, South Africa.

Roberts, S. 2017. Barriers to entry and implications for competition policy. CCRED working paper 13/2017.

The DTI. 2017. 2015/16 Incentive Monitoring Report.

United Nations. 2010. The role of competition policy in promoting economic development: The appropriate design and effectiveness of competition law and policy. United Nations Conference on Trade and Development, Geneva, Switzerland.

Zalk, N. 2014. What is the role of manufacturing in boosting economic growth and employment in South Africa?