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## **POLICY UNCERTAINTY, MERGERS, AND ACQUISITIONS: THE IMPACT ON THE SOUTH AFRICAN BUSINESS ENVIRONMENT**

### **Abstract:**

This study examines the impact of policy uncertainty on mergers and acquisitions (M&A) in South Africa, with a focus on the prolonged regulatory scrutiny by the Competition Commission under the 'public interest consideration' criterion. The research aims to identify the costs and uncertainties associated with M&A transactions due to regulatory processes and other economic uncertainties to propose measures to reduce these uncertainties. Utilising qualitative methodologies, the study gathers empirical evidence through interviews with companies and competition lawyers involved in the M&A processes. The findings reveal significant concerns about economic uncertainty, merger control, and policy and regulation impacting investment decisions. The analysis uncovers three main themes: 'Economic Uncertainty', 'Merger Control', and 'Policy and Regulation', each comprising various sub-themes that highlight the intricate relationship between policy uncertainty and the M&A landscape in South Africa. The study concludes that policy uncertainty, particularly in the context of merger regulation, imposes substantial costs and delays on M&A activities, negatively affecting investment and growth. It emphasises the necessity for a regulatory framework that minimises disruptions and costs to business participants, while facilitating expedient decision-making by the Competition Commission. The research underscores the importance of a collaborative approach between firms and the Commission, advocating for clear guidelines and procedures to navigate the 'public interest' mandate efficiently. It also highlights the broader macroeconomic implications of policy uncertainty on South Africa's competitiveness and investment climate. The findings suggest that addressing policy uncertainty and streamlining regulatory processes are crucial steps towards enhancing South Africa's attractiveness as an investment destination and fostering economic growth.

### **Keywords:**

mergers and acquisitions, competition policy, policy uncertainty, merger control, public interest.

**JEL Classification:** K21, L52