

**Press
Release
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New BEE regulations will promote corruption and harm service delivery – IRR

The IRR has warned that draft regulations published last week will increase the costs of goods and services procured by the Government and thereby harm service delivery.

According to the IRR, the National Treasury is proposing that government tenders up to R10m will in future be evaluated only 50% on price, while the preferential weighting for black economic empowerment (BEE) will also count 50%. Previously the weightings were 90/10 or 80/20.

The increased BEE weighting will encourage inflated prices from a small politically connected elite of BEE “tenderpreneurs” – thereby subordinating the interests of the poor to the interests of this small elite.

Said the IRR: “The proposed regulations provide yet another reason why the Government should move away from current models of BEE and embrace the alternative policy of ‘EED’ or ‘Economic Empowerment for the Disadvantaged’ that we are busy developing.”

You can read the IRR's article on the proposed regulations on BizNews.com [here](#).

Ends.
