

MEDIA RELEASE

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The Commission refers glass cartel case

The Commission has referred its findings of cartel conduct against Glass South Africa, National Glass, Northern Hardware and Glass, Furman Glass, McCoy's Glass and AF-FSL Glass.

The six firms are active in the manufacturing and distribution of glass products. . They face allegations of price fixing, market allocation and the fixing of trading conditions for float, laminated and toughened glass in the Gauteng, Free State and Western Cape regions. This was done through various arrangements and agreements amongst the respondents.

Float glass is the key input for the manufacture of windows while laminated glass is a type of safety glass used in automobile windshields and skylight glazing. Toughened glass crumbles into granular chunks and is unlikely to cause injury when broken and is as such used in passenger vehicle windows, shower doors, refrigerator trays and various types of plates and cookware.

The Commission initiated this investigation into cartel activity in February 2010 based on information it received in a leniency application by AF-FSL Glass on 08 June 2009. AF-FSL was granted conditional leniency from prosecution.

In its investigation the Commission found that between 1995 – 2007 cartel members had telephone conversations and held various "boys' club" meetings where they fixed minimum selling prices, the percentage by which minimum prices would increase and the date for the implementation of the fixed prices. The cartel members further agreed not to undercut one another by providing competitive prices to customers that 'belonged' to each other and in 2005 they agreed to introduce a distribution or transport levy of three percent (3%) of the price charged to customers. The 'boys' club' meetings were held at hotels, pubs, sports clubs and boat trips to Zimbabwe.

The Commission has asked the Tribunal to impose an administrative penalty of 10 percent of annual turnover on each of the firms involved.

END

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