

MEDIA RELEASE

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Commission concludes settlement with Oceana

The Competition Commission has concluded a settlement with the Oceana Group Limited and Oceana Brands Limited (collectively Oceana) settling a number of price fixing and market allocation contraventions within the pelagic fish industry. Oceana has agreed to pay a penalty of R34 750 050 which represents 5% of its turnover derived from its pelagic fish operations in South Africa in 2010.

In terms of the settlement, Oceana admits that:

- Oceana Brands, Foodcorp, Premier Fishing SA, Gaansbaai Marine, Terressan Pelagic Fishing, Paternoster Visserye, Pioneer Fishing and Saldanha Foods, as members of the South African Pelagic Fish Processors Association (SAPFPA), agreed to fix prices paid to vessel owners/operators, skippers and crew for the service of catching pelagic fish. This was done through meetings and correspondence distributed by SAPFPA to its members and the implementation of a standard formula which was applied to the price of fishmeal so as to determine the prices to be paid.
- Oceana entered into agreements with its competitors in the processing and canning of fish, Pioneer Fishing, Premier Fishing and Saldanha Bay Canning in terms of which they shared competitively sensitive information which gave rise to indirect fixing of the price of canned fish which is sold to consumers.
- Oceana Brands and Pioneer Fishing also agreed to not compete with each other for suppliers of fish in Mossel Bay.
- During 2006 Oceana entered into an agreement with Pioneer Fishing to fix the quota rental fees payable to three companies in Port Elizabeth for the use of their pilchard quota for the 2006 fishing season.
- Oceana entered into agreements to allocate fishmeal customers and to fix the prices of fishmeal with its competitor South African Fishmeal Marketing Corporation
- Brimstone Investments Corporation Limited and Tiger Brands Limited, both substantial shareholders in the Oceana Group, are signatories to a shareholders' agreement with Sea Harvest which contained a non-compete clause. The Commission concluded that the shareholders' agreement prevented Sea Harvest and Oceana from competing in the hake and pelagic fish markets, respectively, between 2000 and 2008.

This consent agreement follows a complaint initiated by the Commission in July 2008. During the course of the Commission's investigation, Pioneer Fishing applied for and was granted conditional leniency.

Pelagic fish includes three species of fish, that is, anchovy, pilchards and red eye.

The Commission has filed this agreement with the Competition Tribunal ("Tribunal") and awaits set down for confirmation as an order of the Tribunal.

ENDS

For more information:

Molebogeng Taunyane, External Communication Coordinator

012 394 3289/082 646 8663/molebogengt@compcom.co.za