

Media Release

01 June 2015

Competition Commission refers four cartel cases to the Tribunal for prosecution

Today, 01 June 2015, the Competition Commission (Commission) referred four cases of collusion to the Competition Tribunal (Tribunal) for adjudication.

The *first three referrals* are against **J&H Furniture Removals (Pty) Ltd, Langs Removals CC and Stanley's Removals CC** for price fixing, division of markets and collusive tendering in the market for the provision of furniture removal services.

These referrals followed the Commission's investigation, which was launched between 2010 and 2011 against 69 furniture removal companies for colluding on furniture removal tenders issued by various government departments and private sector clients. The collusion appears to have started from around 2007 to at least 2014.

The Commission investigations found that **J&H Furniture Removals (Pty) Ltd** was involved in three separate instances of collusive tendering with JH Retief and Cape Express. The Commission investigations also found that **Langs Removals CC** was involved in two separate instances of collusive tendering with Cape Express. Further, the Commission investigations found that **Stanley's Removals CC** was involved in ten separate instances of collusive tendering with Cape Express. The conduct amounts to collusive tendering in contravention of section 4(1)(b)(iii) of the Act.

The Commission referred each instance of collusive tendering to the Tribunal for prosecution and is seeking an order declaring **J&H Furniture Removals (Pty) Ltd, Langs Removals CC and Stanley's Removals CC** to be liable for payment of an administrative penalty equal to 10% of their respective annual turnover for each instance of collusive tendering. The Commission has already concluded consent agreements with fifteen (15) respondents, including Cape Express and JH Retief.

The *fourth referral* is against **Global Sustainable Risk Control Management (Pty) Ltd (GSRCM) and Real Tree Trading 1 (Pty) Ltd (Real Tree)**, for price fixing for the provision of safety training induction services. The firms offer Safety Health Environmental Risk Quality (SHERQ) services to manufacturing plants, factories, and industrial sites across South Africa. These services include safety induction training.

The Commission's investigation found that **GSRCM and Real Tree** entered into an agreement to fix the price they charge to provide safety training induction services. They agreed not to drop the price for providing safety training induction services below R200.00 per person. The conduct amounts to the fixing of prices in contravention of section 4(1)(b)(i) of the Act.

GSRCM and Real Tree provide safety training induction services to ArcelorMittal South Africa's (AMSA) contractors doing work on the manufacturing plants of AMSA. The Commission referred this price fixing conduct to the Tribunal for prosecution and is

seeking an order declaring **GSRM and Real Tree** to be liable for payment of an administrative penalty equal to 10% of their respective annual turnover.

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