Shipping Liner admits liability for price fixing, market allocation and collusive tendering

The Competition Commission has reached a settlement agreement with NIPPON YUSEN KABUSHIKI KAISHA Ltd (NYK), a Japanese shipping liner, for contravening section 4(1)(b)(i),(ii) & (iii) of the Competition Act in the market for the provision of transportation of motor vehicles to and from South Africa by sea.

This settlement followed the Commission’s investigation of collusive conduct against shipping liners, namely: Mitsui O.S.K Lines; Kawasaki Kisen Kaisha Ltd; Compania Sud Americana de Vapores; Hoegh Autoliners Holdings AS; Wallenius Wilhelmsen Logistics; Eukor Car Carriers; and NYK that they allegedly fixed prices, divided markets and tendered collusively in respect of the provision of deep sea transportation services. Deep sea transportation services entail the transportation of motor vehicles, equipment and machinery by sea to and from South Africa.

The Commission found that NYK colluded on 14 tenders with its competitors for the transportation of motor vehicles by sea issued by several automotive manufacturers to and from South Africa, including BMW, Toyota Motor Corporation, Nissan, and Honda among others. NYK admitted to this collusive conduct and agreed to pay an administrative penalty of R104 million.

The Commission has filed the settlement agreement with the Tribunal for confirmation as an order of the Tribunal. The Commission’s investigation is continuing against the rest of the respondents.

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