



competition commission
south africa

MEDIA RELEASE

28 April 2016

Competition Commission refers cartel complaint against ZTE SA and ZTE Mzansi

The Competition Commission (Commission) has referred to the Competition Tribunal (Tribunal) a complaint against ZTE Corporation South Africa (Pty) Ltd (ZTE SA) and ZTE Mzansi (Pty) Ltd (ZTE Mzansi) for their alleged involvement in collusion.

ZTE SA and ZTE Mzansi were at the time of the contravention, distributors of telecommunications equipment and network solutions, which include equipment used by network operators and equipment used to access networks. The two firms also provide core routing, core network equipment and solutions. Their customers are in the public and private sectors, which include Telkom, Broadband Infraco, Sentech, etc. The telecommunications equipment distributed by ZTE SA and ZTE Mzansi are manufactured and supplied by ZTE Corporations of China.

The Commission's investigation, which commenced in 2013, found that ZTE SA and ZTE Mzansi agreed to allocate customers between themselves. This agreement was reached in 2011 and meant that ZTE SA and ZTE Mzansi would not market and supply telecommunications equipment and network solutions outside their designated or allocated customers.

The Commission is of the view that ZTE SA and ZTE Mzansi's conduct contravenes section 4(1)(b) of the Competition Act, hence its decision to refer the complaint to the Tribunal for adjudication. As part of this referral, the Commission has asked the Tribunal to impose an administrative penalty equal to 10% of each firm's turnover.

Ends

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