



competition commission
south africa

MEDIA RELEASE

COMPETITION COMMISSION RAIDS CARGO SHIPPING COMPANIES

Today, 28 September 2016, the Competition Commission (Commission) is conducting a search and seizure operation at the premises of six cargo shipping companies operating in the Western Cape and Kwazulu-Natal provinces.

The Commission has reasonable grounds to suspect that Hamburg Sud South Africa (Pty) Ltd, Maersk South Africa (Pty) Ltd, Safmarine (Pty) Ltd, Mediterranean Shipping Company (Pty) Ltd, Pacific International Line South Africa (Pty) Ltd and CMA CGM Shipping Agencies South Africa (Pty) Ltd have engaged in collusive practices to, inter alia, fix the incremental rates for the shipment of cargo from Asia to South Africa in contravention of the Competition Act.

The search and seizure operation is conducted as part of an ongoing investigation which was initiated by the Commission based on information from a member the public. During the search the Commission will seize documents and electronic data, which will be analysed together with other information gathered to determine whether these companies have contravened the Competition Act.

The companies under investigation are involved in the transportation of cargo for import and export purposes across the globe, including South Africa. They use large metal containers as packaging crates and in-transit warehouses to store and transport general cargo such as frozen foods, garments and footwear. The customers of these companies are mainly clearing and freight forward agents.

In terms of section 48 of the Competition Act, the Commission is authorised to enter and search premises and seize documents which have a bearing on its investigation. The Commission has obtained warrants authorizing it to search the premises of these companies at the Western Cape High Court and Pietermaritzburg High Court. The operation is conducted with due regard to the rights of all the affected persons.

“South Africa is a strategic hub for the trade of goods in and out of the Southern African region. Any cartel by shipping liners in this region results in inflated prices for cargo transportation. Cartels of this nature increase the costs of trading in the region and render the region uncompetitive in the world markets. Such cartels have the effect of significantly derailing the economic growth of the region”, said the Commissioner of the Competition Commission Tembinkosi Bonakele.

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