



competition commission
south africa

Media Release

For Immediate Release

25 May 2017

**DSTV MEDIA SALES ADMITS TO PRICE FIXING AND
AGREES TO A SETTLEMENT**

DStv Media Sales (Pty) Ltd has admitted to price fixing and the fixing of trading conditions in contravention of South Africa's Competition Act. The admission forms part of a consent agreement concluded between the company and the Commission.

In terms of the consent agreement filed with the Competition Tribunal today, 25 May 2017, DStv Media Sales has agreed to an accumulative remedy of R180m. They agreed to pay an administrative penalty amounting to R22 262 599 (twenty two million, two hundred and sixty two thousand, five hundred and ninety nine rand).

The company will also pay R8 000 000 (eight million rand) to the Economic Development Fund over three years, to enable the development of black owned small media or advertising agencies requiring assistance with start-up capital and to assist black students requiring bursaries to study media or advertising, among others. This will be managed by the Media Development and Diversity Agency (MDDA) and audited annually.

DStv Media Sales has further agreed to provide 25% in bonus airtime for every Rand of airtime bought by qualifying small agencies. This aims to help smaller agencies participate in the market. The bonus airtime will be provided for a period of three years and is subject to a total annual airtime cap of R50 000 000 (fifty million rand).

The matter relates to a November 2011 investigation which found that, through the Media Credit Co-Ordinators (MCC), various media companies agreed to offer similar discounts and payment terms to advertising agencies that place advertisements with MCC members.

MCC accredited agencies were offered a 16.5% discount for payments made within 45 days of the statement date, while non-members were offered 15%.

The Commission found that the practices restricted competition among the competing companies as they did not independently determine an element of a price in the form of discount or trading terms. This amounts to price fixing and the fixing of trading conditions in contravention of the Competition Act.

The Commission has filed the consent agreement with the Competition Tribunal for confirmation as an order by the Tribunal.

Issued by:

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