



Media Statement

For Immediate Release

3 August 2017

COMMISSION RAIDS 25 SITES OF FIRE SPRINKLER INSTALLERS

The Commission is today carrying out simultaneous and co-ordinated search and seizure raids at the premises of the Automatic Sprinkler Inspection Bureau (ASIB) as well as 24 fire control and protection services companies which are members of ASIB.

This is the largest number of premises raided in a cartel investigation in South Africa. The companies – situated in Athlone, Milnerton, Stellenbosch, Century City, Westlake, Bellville, Brackenfell, Montague Gardens, (WC) Pinetown, Springfield, Chatsworth, Stamford Hill, Windemere, Morningside (KZN), East London, PE (EC), Houghton (GP) - are involved in the supply, installation and maintenance of fire control and protection systems.

The Commission has reasonable grounds to believe that the ASIB and its members have agreements and/or are engaged in a concerted practice to fix prices and trading conditions, divide markets and tender collusively.

ASIB members are required to adhere to various rules and standards which constitute an agreement to exclude non-members from the market who use legally prescribed and acceptable standards in the country i.e. the South African National Standards developed by the South African Bureau of Standards (SABS). The ASIB rules and standards involve the following, among others:

- Installation of the fire control and protection equipment is reserved for ASIB members only to the exclusion of non-members;
- Inspection of installed fire control and protection systems in the industry is reserved for ASIB, to the exclusion of any competent entity;
- The ASIB prohibits its members from subcontracting work to non-members;
- Members are discouraged from operating in regions where they are not registered;

- ASIB refuses to provide clearance to any installations that have not been carried out by its listed members;
- The ASIB lists companies as approved suppliers of pipes, pumps and sprinklers. This means that installers not registered with the ASIB do not get supplies; and
- The ASIB divides installers into different categories, thereby restricting competition among installers of fire control and protection systems.

This is part of an ongoing investigation and prosecution in the sector which has already led to several Gauteng companies admitting to the conduct and settling with the commission. “This investigation is particularly concerning because of the seemingly prominent role played by consulting engineering companies in facilitating this cartel as well as the confirmation of pervasiveness of cartels in the construction sector.”

The Commission has already investigated a complaint in this industry, uncovering long standing collusive arrangements amongst fire control and protection systems companies. Several Gauteng companies have already admitted to engaging in collusion and have concluded settlement agreements with the Commission.

Today’s search and seizure operations are being conducted with due regard to the rights of all the affected persons, in terms of section 46 of the Competition Act. The companies being raided are:

ANS Fire Protection Services CC; Arksun Fire Equipment CC t/a Fire Equipment; BH Fire Protection Services CC; Belfa Fire (Pty) Ltd (Belfa Coastal Cape); Belfa Fire (Pty) Ltd (Belfa Coastal Natal); Bhubesi Fire Projects (Pty) Ltd; Chubb Fire and Security (Pty) Ltd (KwaZulu Natal); Country Contracts CC; Cross Fire Management (Pty) Ltd; Eagle Fire Control CC; Fire and General CC; Fire Check CC; Fire Control Systems KwaZulu-Natal CC; Fire Design CC; Fire Sprinkler Installations CC; Fire Sprinkler Installations CC; FireCo (Pty) Ltd (FireCo Cape); FireCo (Pty) Ltd (FireCo KZN); Jasco Fire Solutions (Pty) Ltd (Jasco Cape); OVG Fire Management (Pty) Ltd (OVG Cape); QD Fire Cape CC; Specifire (Pty) Ltd; Whip Fire Projects (Pty) Ltd; and Ramsin Industrial Supplies CC t/a Fire Unlimited.

[ENDS]

Issued by:

Sipho Ngwema, Head of Communications

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 078 048 1213 / 081 253 8889

Email: SiphoN@compcom.co.za

Find us on the following social media platforms:

Twitter:	@CompComSA
Instagram:	Competition Commission SA
Sound Cloud:	Competition CompComSA
Facebook, LinkedIn and YouTube:	The Competition Commission South Africa