



Media Statement

For Immediate Release

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FIRE COMPANIES ADMIT TO CARTEL CONDUCT – AGREE TO PAY FINES

In a significant breakthrough in the prosecution of seven fire companies, two of the companies have admitted to have engaged in cartel conduct, have agreed to pay penalties and have undertaken to assist the Commission in the prosecution of the rest.

Fireco Gauteng (Pty) Ltd (Fireco Gauteng) and Afrion Property Services CC (Afrion), specialising in supplying, installing and maintaining fire control and protection systems in South Africa and the continent, have reached a settlement with the Commission.

They are part of several fire control and protection systems companies that were referred by the Commission to the Competition Tribunal for prosecution in March this year. The companies had fixed prices, divided markets and tendered collusively when bidding for tenders to install fire control and protection systems in new and existing buildings.

In their respective settlement agreements, Fireco Gauteng and Afrion have admitted that they engaged in price fixing, market division and collusive tendering in contravention of the Competition Act. Fireco Gauteng has agreed to pay administrative penalty of R909 000 while Afrion has agreed to pay R327 000.

The two companies have also agreed to cooperate with the Commission and assist it in the prosecution of the remaining respondents which are Belfa, Cross Fire, Fire Protection Systems, Fireco and Tshwane Fire Sprinklers.

The Commission's investigation found that from at least 1996 to 2015, the companies entered into an agreement and/or engaged in a concerted practice to fix prices, divide markets and tendered collusively in relation to tenders to install fire control and protection systems in new and existing buildings.

The fire companies concluded bilateral and multilateral collusive agreements which were implemented by exchanging cover quotes, sharing of bills of quantities and exchanging of prices through telephone, faxes, emails and occasional meetings. The companies had also agreed to 'respect' each other's allocated customers by not bidding competitively for tenders issued by those customers.

Issued by:

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