



Media Statement
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FREE STATE COMPANIES CHARGED FOR COLLUSION IN PROVINCIAL TREASURY TENDER

The Competition Commission has referred for prosecution seven Bloemfontein based companies for price fixing and collusive tendering.

This is in relation to a Free State Provincial Treasury tender for the supply and delivery office stationery to provincial government departments in 2014. The companies that have been charged are Catha Silkscreen Printers CC (Catha), Molemo Trading CC (Molemo), Lounge 848 CC, Nakanyane Business Solutions CC, Litabe & Seema Trading CC, Mo Mollo Records (Pty) Ltd t/a Mo-Faya Inc (Mo-Faya) and Kgomo Ya Maphura General Trading CC (KYM).

These companies, which are competitors in the market, entered into an agreement and/or engaged in a concerted price fixing and collusive tendering in relation to the tender.

The companies, amongst other things, quoted the same prices for various stationery items in their bills of quantities. In addition, they received confirmation letters from the same wholesaler from which they intended to source the stationery if they were awarded the tender.

This conduct constitutes price fixing and collusive tendering in contravention of the Competition Act.

In addition, Catha and Molemo have also been charged in a separate case relating to price fixing and collusive tendering for their role in another tender to supply provincial government departments in the Free State with computer cartridges in 2015.

The companies entered into an agreement and/or engaged in a concerted practice to fix prices and tender collusively. The companies quoted the same prices for various items in their bills of quantities. The conduct of the companies amounts to price fixing and collusive tendering in contravention of the Competition Act.

The matters have been referred as four separate cases.

Issued by:

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