



Media Statement
For Immediate Release
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TWO CHEMICAL COMPANIES FINED R37M FOR CARTEL CONDUCT

Two companies involved in the manufacturing and supply of key chemical input materials used to make detergents, cosmetics and toiletries have agreed to pay fines after admitting to price fixing and dividing markets.

Investchem (Pty) Ltd (Investchem) and Akulu Marchon (Pty) Ltd (Akulu) are manufacturers and suppliers of a range of surfactant products widely used in the detergent, cosmetics and toiletry industries. Surfactants (surface active agents) are one of many different compounds that may act as detergents, wetting agents, emulsifiers, foaming agents and dispersants.

Investchem has agreed to pay a penalty of R23 423 155.00 (twenty three million four hundred and twenty three thousand and one hundred and fifty five Rand) while Akulu will pay an amount of R13 905 600.40 (thirteen million nine hundred and five thousand and six hundred rand and forty cents) in terms of the settlement agreement each concluded with the Commission.

In December 2014 the Commission conducted a search and seizure operation at the premises of both companies as part of an investigation into cartel activities. The investigation uncovered, among others:

- Between 2003 and 2013 Investchem and Akulu Marchon, which are competitors, agreed to fix prices for surfactants; and
- Investchem and Akulu Marchon also divided the market by agreeing not pursue each other's customers.

These agreements contravened section 4(1)(b)(i) and (ii) of the Competition Act. Both Investchem and Akulu have agreed to future conduct that ensures this cartel conduct does not recur and that their respective customers are treated fairly without discrimination.

Issued by:

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