



Media Statement  
For immediate release  
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## **MEDIA COMPANIES TO BE PROSECUTED FOR CARTEL CONDUCT**

Twenty-eight (28) media companies have been referred to the Competition Tribunal for prosecution on charges of price fixing and the fixing of trading conditions, in contravention of the Competition Act.

The matter relates to an investigation that was initiated in 2011 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, while non-members were offered 15%.

In addition, the Commission found that the implicated companies, through MCC, employed services of an intermediary company called Corexalance (Pty) Ltd (Corex) to perform risk assessments on advertising agencies for purposes of imposing a settlement discount structure and terms on advertising agencies.

The Commission found that the practices restricted competition among the competing companies as they did not independently determine the discounts and thereby fixed the price and trading terms in contravention of the Competition Act.

In referring the matter to the Tribunal for prosecution, the Commission seeks an order declaring that the media companies contravened the Act and are liable to pay penalties in terms of the Act.

The media companies are:

- |     |                                 |     |                           |
|-----|---------------------------------|-----|---------------------------|
| 1.  | SABC                            | 15. | Provantage Media          |
| 2.  | Media 24                        | 16. | Radmark                   |
| 3.  | Primedia                        | 17. | Carpe Diem Media          |
| 4.  | Mail & Guardian                 | 18. | Rodale And Touchline      |
| 5.  | Avusa Media                     | 19. | Mandla-Matla Publishing   |
| 6.  | Mtv Networks Africa             | 20. | Ramsay Media              |
| 7.  | Media 24 Magazines              | 21. | Lugan Investments         |
| 8.  | Primedia Outdoor                | 22. | Associated Media          |
| 9.  | Cinemark                        | 23. | Associated Hearst         |
| 10. | Comutanet                       | 24. | Capro                     |
| 11. | Conde Nast Independent Magazine | 25. | Trudon                    |
| 12. | The Citizens                    | 26. | United Stations           |
| 13. | Spark Media                     | 27. | Continetal Outdoor        |
| 14. | Apurimac Media                  | 28. | Media Credit Coordinators |

Meanwhile, Independent Media (Pty) Ltd (Independent), Caxton & CTP Publishers and Printers Limited (Caxton) and DStv Media Sales (Pty) Ltd (DStv Media Sales) have admitted to the charges in relation to this same matter. Among others, the media companies agreed to pay administrative penalties as part of separate settlement agreements with the Commission:

- Caxton agreed to pay R5 806 890.14 (five million eight hundred and six thousand eight hundred and ninety rand and fourteen cents);
- Independent agreed to pay R2 220 603 (two million two hundred and twenty thousand six hundred and three rand); and
- DStv Media Sales agreed to pay R22 262 599 (twenty two million, two hundred and sixty two thousand, five hundred and ninety nine rand).

The companies also agreed to contribute towards the Economic Development Fund over the next three years. The Fund seeks to develop black owned small media or advertising agencies that require assistance with start-up capital and will assist black students with bursaries to study media or advertising, among others. It will be managed by the Media Development and Diversity Agency.

Caxton will pay R2 090 480.45 (two million ninety thousand four hundred and eighty rand and forty five cents); Independent will pay R799 417 (seven hundred and ninety nine thousand four hundred and seventeen rand); and DStv Media Sales will pay R8 million.

“This is one of the legacy media practises that survived the introduction of the Competition Act in South Africa. It is a problem because it consolidates operations of a few media houses that gang up against mainly small advertising agencies. It is encouraging that some media houses have settled the matter and will also be directly contributing towards promoting the entry of small and black advertising agencies,” said Competition Commissioner, Tembinkosi Bonakele.

[ENDS]

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