



**competition commission**  
*south africa*

**Media Statement**  
**For Immediate Release**  
**27 February 2019**

## **TRIBUNAL CONFIRMS FINES FOR SABC, PRIMEDIA AND STER-KINEKOR FOR PRICE FIXING**

The Commission welcomes the decision of the Competition Tribunal to confirm as orders three consent settlement agreements concluded with the SABC, Primedia and Ster-Kinekor this morning.

The three media companies admitted to being involved in price fixing and the fixing of trading conditions in contravention of the Competition Act. In terms of the settlement agreements, the media companies undertook to:

1. The SABC will pay an administrative penalty of **R31 845 795.33** (thirty one million eight hundred and forty five thousand seven hundred and ninety- five rand and thirty three cents).

The SABC will also provide 25% bonus advertising space for every rand of advertising space bought by qualifying small agencies, over three years and capped at **R 40 million (forty million rand)** annually. This will amount to **R120m** for the entire period.

They will further contribute **R17 797 645.97** (seventeen million seven hundred and ninety seven thousand, six hundred and forty five rand and ninety seven cents) to the Economic Development Fund (EDF) over a three year period.

2. Primedia has agreed to pay an administrative penalty of **R9 605 884.64** (nine million, six hundred and five thousand, eight hundred and eighty four rand and sixty four cents).

It will also provide 25% bonus advertising space for every rand of advertising space bought by qualifying small agencies, over three years and capped at **R 24 million** (twenty four million rand) annually, amounting to **R72m** in three years.

The company will also contribute **R3 458 118.47** (three million four hundred and fifty-eight thousand and eighteen rand and forty seven cents) to the Economic Development Fund over a three year period.

3. Ster-Kinekor has agreed to pay a fine of **R436 999.90** (four hundred and thirty six thousand, nine hundred and ninety nine rand and ninety cents).

It will also provide 25% bonus advertising space for every rand of advertising space bought by qualifying small agencies, over three years and capped at **R 1 million** (one million rand) annually, totalling **R3m**.

The Company will contribute **R157 319.96** (hundred and fifty-seven thousand, three hundred and nineteen and ninety six cents) to the Economic Development Fund over a three year period.

The EDF will be managed and administered by Media Development and Diversity Agency (MDDA).

The case relates to an investigation that was initiated in November 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 for payments made within 45 days of the statement date, while non-members were offered 15%. In addition, the Commission's investigation found that the implicated companies, as MCC members, employed services of an intermediary company called 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.

**[ENDS]**

**Issued by:**

Sipho Ngwema, Head of Communications

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 081 253 8889

Email: [SiphoN@compcom.co.za](mailto:SiphoN@compcom.co.za)

Find us on the following social media platforms:

Twitter: @CompComSA

Instagram: Competition Commission SA

Facebook, LinkedIn and YouTube: The Competition Commission South Africa

