

Press Release

03 December 2009

Competition Commission refers findings of mesh wire cartel to Tribunal

The Competition Commission has referred its findings of a price fixing and market allocation cartel in the manufacturing and supply of reinforcing mesh products market involving Aveng (Africa) Limited (trading as Steeldale Mesh), Capital Africa Steel (Pty) Ltd (trading as Reinforcing & Mesh Solutions) and Vulcania Reinforcing (Pty) Ltd ("Vulcania") and BRC Mesh Reinforcing (Pty) Ltd ("BRC"), a subsidiary of Murray and Roberts Steel Group, to the Tribunal for adjudication.

The Commission initiated an investigation into this cartel activity following information received from a leniency application by Murray and Roberts Steel (Pty) Ltd on behalf of its subsidiary, BRC, on 26 September 2008. In the application Murray and Roberts admitted to participating in the cartel and was granted conditional immunity from prosecution provided that it cooperates with the Commission in the investigation and prosecution of the cartel. The Commission has asked the Tribunal to impose an administrative penalty of 10% on each of the firms involved, except Murray and Roberts who has been granted conditional immunity.

In its investigation the Commission found that the respondents contravened the Competition Act in the period between 2001 and 2008 by engaging in price-fixing and market allocation. This was done through monthly formal meetings under the auspices of South African Fabric Reinforcing Association ("SAFRA"). After the respondents were advised that their conduct was a contravention of the law the formal meetings were largely replaced by informal meetings which were held in restaurants, golf courses and pubs.

In these meetings the four respondents agreed to fix the selling price and discounts for reinforcing mesh products, and to not sell to or target each other's customers.

All of the respondents compete in the reinforcing mesh market. They are also suppliers and manufacturers of products such as hard drawn wire, welded steel mesh for construction reinforcing and related products; fencing products and other wire related products.

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Further info:

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