

**PRESS RELEASE**  
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**Commission settles with two furniture removal service providers**

The Competition Tribunal has yesterday confirmed settlement agreements between the Competition Commission and two companies providing furniture removal services, namely, Cape Express and Propack Removals.

These settlement agreements followed the Commission's investigation, which was launched between 2010 and 2013 against 69 companies offering furniture removal services for colluding on tenders issued by various government departments, including but not limited to, the South African National Defence Force (SANDF), South African Police Services (SAPS), as well as tenders issued by large corporates such as Eskom and Pretoria Portland Cement (PPC).

The Commission's investigations revealed that between 2007 and 2012, over 3500 relocation tenders were subjected to collusion by the 69 companies providing furniture removal services. In terms of the collusive arrangement, a firm that is contacted first regarding a request for quotation for furniture removal services would offer to source two or more quotations on behalf of the customer. The firm would then request two or more of its competitors submit quotes as cover prices.

The other competitors would submit a price that is not intended to win them the tender. Such a price would have been agreed upon between the colluding bidders and decided on who will win the tender.

In terms of the consent agreement, Cape Express admitted to have rigged numerous relocation tenders and agreed to pay an administrative penalty in the amount of R645 710.00, which represents 10% of its annual turnover for the 2012 financial year. Propack Removals has admitted to the conduct and agreed to pay an administrative penalty in the amount of R454 127.60, which also represents 10% of its annual turnover for the 2012 financial year.

"Cover pricing is an anticompetitive practice intended to give a false impression of a fair competitive bidding process when in actual fact it is not. The Commission is pleased by the high number of companies which came forward to confess their involvement in the collusive conduct. We are confident that this is the first of many settlement agreements that will be entered into with more companies in the furniture removal market by the end of October", said Commissioner Tembinkosi Bonakele.

ENDS

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