



Media Statement
For Immediate Release
29 April 2018

MTV AGREES TO SETTLE WITH THE COMMISSION IN MEDIA COLLUSION MATTER

The Commission is encouraged by the Tribunal's decision to confirm the settlement agreement entered into between the Commission and MTV Networks Africa (MTV) in the media collusion case that involves over 20 media companies (see Tribunal statement below).

The Commission is hopeful that other media companies, implicated in the matter, will consider settling with the Commission while the process still allows them to do so.

MTV is the sixth (6th) media company that has agreed to settle on charges relating to price fixing and the fixing of trading conditions.

The case relates to a November 2011 investigation 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.

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 addition to paying penalties, the companies that have settled have also agreed to various remedies including paying contributions to the Economic Development Fund and providing bonus advertising space to qualifying small agencies.

- Media24 agreed to pay an administrative penalty amounting to R13 828 892.26 (thirteen million eight hundred and twenty eight thousand, eight hundred and ninety two rand and twenty six cents);
- Provantage Media agreed to pay R1 094 222 (one million and ninety four thousand, two hundred and twenty-two rand)
- Caxton & CTP Publishers and Printers Ltd agreed to pay an amount of R5 806 890.14 (five million eight hundred and six thousand eight hundred and ninety rand and fourteen cents);
- Independent Media (Pty) Ltd agreed to pay R2 220 603 (two million two hundred and twenty thousand six hundred and three rand); and
- DStv Media Sales (Pty) Ltd agreed to pay R22 262 599 (twenty two million, two hundred and sixty two thousand, five hundred and ninety nine rand).

The media companies listed in the matter are:

SABC (SOC) Limited; Media 24 Ltd; Primedia (Pty) Ltd; the Mail & Guardian (Pty) Ltd; Avusa Media Limited; MTV Networks Africa (Pty) Ltd; Media 24 Magazines; Primedia Outdoor (Pty) Ltd; Cinemark (Pty) Ltd; Comutanet (Pty) Ltd; Conde Nast Independent Magazine; The Citizens 1978 (Pty) Ltd; Spark Media (Pty) Ltd; Apurimac Media; Provantage Media (Pty) Ltd; Radmark (Pty) Ltd; Carpe Diem Media; Rodale And Touchline; Mandla-Matla Publishing (Pty) Ltd; Ramsay Media; Lugan Investments (Pty) Ltd; Associated Media (Pty) Ltd; Associated Hearst (Pty) Ltd; Capro (Pty) Ltd; Trudon (Pty) Ltd; United Stations (Pty) Ltd; Continental Outdoor (Pty) Ltd; Media Credit Coordinators; Independent Newspapers (Pty) Ltd; DSTV Media Sales (Pty) Ltd; Apurimac Media CC; Caxton and CTP Publishers and Printers Ltd and Media Credit Co-Ordinators (MCC).

[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

Find us on the following social media platforms:

Twitter: @CompComSA

Instagram: Competition Commission SA

Facebook, LinkedIn and YouTube: The Competition Commission South Africa

TRIBUNAL STATEMENT:

Date of release: 26 April, 2018

MTV pays R17,3m in remedy package for fixing trading conditions

The Competition Tribunal has approved a consent agreement in which MTV Networks Africa (MTV) has agreed to a package of remedies for price fixing and fixing of trading conditions amounting to R17,3m (R17 314 702.25)

MTV, one of the 30 media companies listed in a complaint filed with the Tribunal for price fixing and fixing of trading conditions, has admitted to contravening section 4(1)(b)(i) of the Competition Act. The Tribunal has confirmed an administrative penalty of R966 692.83.

In terms of the settlement agreement MTV undertakes to provide 25% bonus airtime and/or advertising space for every Rand of advertising space utilised at times scheduled at the discretion of MTV. MTV, when exercising this discretion, is required to take into account the airtime or advertising space purchased. MTV will offer these terms for a period of three years from the date of confirmation of this consent agreement, subject to a total annual cap of R16 000 000. MTV will also contribute R348 009.42 to the Economic Development Fund over a period of three years from the

date of confirmation of the consent agreement.

Background

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% discount on payments made within 45 days of the date of the statement.

The respondents also agreed to charge a 50% cancellation fee in respect of all adverts that advertising agencies withdrew 24 hours before publication.

The media companies listed in the complaint are: the SABC (SOC) Limited; Media 24 Ltd; Primedia (Pty) Ltd; the Mail & Guardian (Pty) Ltd; Avusa Media Limited; MTV Networks Africa (Pty) Ltd; Media 24 Magazines; Primedia Outdoor (Pty) Ltd; Cinemark (Pty) Ltd; Comutanet (Pty) Ltd; Conde Nast Independent Magazine; The Citizens 1978 (Pty) Ltd; Spark Media (Pty) Ltd; Apurimac Media; Provantage Media (Pty) Ltd; Radmark (Pty) Ltd; Carpe Diem Media; Rodale And Touchline; Mandla-Matla Publishing (Pty) Ltd; Ramsay Media; Lugan Investments (Pty) Ltd; Associated Media (Pty) Ltd; Associated Hearst (Pty) Ltd; Capro (Pty) Ltd; Trudon (Pty) Ltd; United Stations (Pty) Ltd; Continental Outdoor (Pty) Ltd; Media Credit Coordinators; Independent Newspapers (Pty) Ltd; DSTV Media Sales (Pty) Ltd; Apurimac Media CC; Caxton and CTP Publishers and Printers Ltd and Media Credit Co-Ordinators (MCC).

Previous consent agreements in this matter:

In terms of the administrative penalty:

Independent Media to pay R2,2m, (R2 220 603)

Caxton R5,8m (R5 806 890)

DSTV Media Sales R22,3m (R22 262 599)

Provantage R1m (1 094 222)

Their bonus airtime is subject to an annual cap of:

Independent - R5m

Caxton - R15m

DSTV - R50m

Provantage – R2,8m

Economic Development Fund contributions:

Independent - R799 417

Caxton - R2m

DSTV - R8m

Provantage - R393 920

The Tribunal can be found on:

Twitter: @comptrib

Instagram CompTribSA

Website www.comptrib.co.za

Chantelle Benjamin

Communications Officer

Tel: (0) 12 394 1383

Cell: +27 (0) 73 007 5603

Twitter: @comptrib

E-Mail: chantelleb@comptrib.co.za