



Media Statement

For Immediate Release

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COMPUTICKET AND SHOPRITE PROSECUTED FOR ANTICOMPETITIVE BEHAVIOUR

The Commission has referred to the Competition Tribunal (Tribunal) for prosecution ticket distributors, Computicket (Pty) Ltd (Computicket) and Shoprite Checkers (Pty) Ltd (Shoprite Checkers), for anticompetitive conduct.

The two companies have been charged with signing and enforcing exclusive agreements in contravention of the Competition Act.

These agreements, with anti-competitive features, were concluded by Computicket with inventory providers in the entertainment industry from 2013 to date.

In terms of the terms of the agreements, Computicket is appointed as the sole provider of ticketing services to the inventory provider or customer in question.

In 2005, after the acquisition of Computicket by Shoprite Checkers, Computicket changed the duration of its exclusive contracts to a standard period of three years. The exclusive agreements are staggered in respect of when they were signed and in respect of when they expire.

In these agreements, Computicket has the ability to price discriminate between its large and small inventory provider customers. The contractual terms of the agreements extend the foreclosure in that third parties, who are not necessarily contracted with Computicket, are required to deal with Computicket, to the exclusion of Computicket's competitors, in the event that such third parties contract with Computicket's customer.

Computicket's larger customers are able to negotiate better rates from Computicket than smaller customers, based on their size. This allows Computicket to isolate the competitive pressure arising from those inventory providers who may find the option of self-supply more attractive.

The Commission has asked the Tribunal to impose an administrative penalty of 10% of Computicket and Shoprite Checkers annual turnover.

Background

Between 2008 and 2009 the Commission received five complaints from Strictly Tickets, Artslink, Going Places, TicketSpace and Ezimidlalo Technologies (the complainants) against Computicket. The complainants alleged that Computicket engaged in anti-competitive practices by concluding exclusive agreements with inventory providers for the provision of outsourced ticket distribution services for the entertainment industry which covers events such as sports, cinemas, theatres, festivals and live events.

The Commission consolidated the complaints into a single case as all the complaints raised similar allegations and were against the same respondent.

On 30 April 2010 the Commission referred the case to the Tribunal on the basis that the exclusive agreements between Computicket and inventory providers contravene section 8(d)(i) alternatively section 8(c) and/or section 5(1) of the Competition Act No. 89 of 1998, as amended ("the Act").

The case before the Tribunal covered the period from 1999 to December 2012. The matter was subject to lengthy litigation around certain legal technicalities about whether Computicket was entitled to certain documents in the Commission's possession.

This issue was settled in 2016 in favour of Computicket paving for the merits of the matter to be heard in October 2017.

The Tribunal's decision on the matter is still pending.

Whilst the initial matter was going through the litigation processes, the Commission received a complaint from Twangoo (Pty) Ltd trading as Groupon South Africa ("Groupon") on 18 June 2013

which alleged that Computicket concluded exclusive agreements with inventory providers in the entertainment industry in contravention of the Competition Act.

On 11 September 2014, Groupon subsequently withdrew its complaint. The Commission initiated a complaint against Computicket on 20 November 2014 in terms of section 49B(1) of the Act read with Rule 16(2) for the alleged contravention of section 8(d)(i), 8(c) and 5(1) of the Act.

On 3 October 2018, the Commissioner amended the initiation to include Shoprite Checkers, Computicket's holding company, as the second respondent.

The new case is similar to the case against Computicket which was heard in October 2017 and whose decision is still pending. The allegations are still the same, however, the prosecution is for the contravention of section 8(d) alternatively 8(c) of the Act, the period under investigation is from January 2013 to date and Shoprite Checkers has been added as a second respondent.

[ENDS]

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