



**Media Statement
For Immediate Release
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FERTILIZER PRODUCER TO PAY R30M FINE FOR CARTEL CONDUCT AS PROTRACTED CASE COMES TO AN END

The Commission welcomes the decision of the Competition Tribunal to confirm as an order a settlement agreement reached with Omnia Fertilizer Limited (Omnia).

Omnia has agreed to pay R30m administrative fine for contravening the Competition Act. It has also agreed to withdraw its review application, on this matter, currently before the Competition Appeal Court.

The agreement follows an admission by the fertiliser producer, Omnia, that between 1998 and 2005, its Nitrochem division (Nitrochem), fixed prices and allocated markets in the fertilizer market in contravention of the Competition Act.

In a case marked by protracted litigation, in 2003 Nutri-Flo CC and Nutri-Fertilizer CC complained to the Commission that Sasol Chemical Industries Limited's (Sasol) was involved in anti-competitive conduct. There were also allegations of collusive conduct against Omnia and its Nitrochem business.

Subsequently, there was an investigation which discovered that there was an arrangement so that Sasol became the exclusive supplier of limestone ammonia nitrate (LAN) to the wholesale market.

Further, the investigation found that there were arrangements to fix the prices of LAN and other fertilizers as well as allocating customers, suppliers and volumes. These collusive arrangements were facilitated through meeting platforms such as Nitrogen Balance Committee, Import Planning Committee and the Export Club. The collusion related to ammonia, potash, urea, mono-ammonium phosphate (MAP), di-ammonium phosphate (DAP), and LAN.

In May 2005 Sasol, Yara South Africa (PTY) Limited and Omnia, were charged with market allocation and price fixing.

In May 2009, Sasol paid an administrative penalty of about R251m after it signed a settlement agreement with the Commission in which it admitted to have contravened the Competition Act. Yara has since been liquidated.

[ENDS]

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