



competition commission
south africa

Media Statement
For Immediate Release
9 May 2018

DURBAN COMPANY FINED R30M FOR CARTEL CONDUCT

The Commission has referred to the Competition Tribunal (Tribunal) a consent agreement for approval with a Durban based company which manufactures unsaturated polyester resins.

NCS Resins (Pty) Ltd (NCS) has admitted to price fixing and market division transgressions and has undertaken to pay a fine of R29.7 million. As part of its settlement agreement, NCS has agreed to cooperate fully with the Commission's investigation and the firm will set up a competition law compliance programme as part of its corporate governance policy.

This agreement follows an investigation, launched in July last year, which found that NCS had colluded with Scott Bader (Pty) Ltd (Scott Bader) to fix the price of resins, ancillaries and catalysts and divide the market by allocating customers.

The investigation uncovered that employees from both companies regularly exchanged prices and customer information. They used this information to determine prices at which they would sell their products to mutual customers. They also used the information to determine future price increases.

The companies also agreed not to supply customers who had overdue accounts with either or both companies and agreed not to target each other's potential customers. In addition, they agreed not to undercut each other in respect of mutual customers.

Background

- The full amount of NCS' administrative penalty is R29 701 689.76 (twenty nine million, seven hundred and one thousand, six hundred and eighty nine rand and seventy six cents)
- NCS manufactures and supplies a complete range of high quality unsaturated polyester resin to various industries which include construction, transport, recreation, chemicals and mining. Resin is a solid or liquid synthetic organic polymer used as the basis of plastics, adhesives, varnishes, or other products.
- NCS also manufactures and supplies a wide range of gelcoats, pigments, pool coats, flow coats, pigments and bonding pastes (ancillaries).

Ends.

Issued by:

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