



**competition commission**  
*south africa*

**Media Statement  
For Immediate Release  
13 February 2020**

## **CORRUGATED BOX PACKAGING COMPANY TO PAY R7 MILLION FOR CARTEL CONDUCT**

The Commission has referred to the Competition Tribunal (Tribunal) for confirmation as an order a consent agreement with a corrugated box packaging company, Mpact Limited (Mpact), in respect of alleged acts of collusion and prior implementation of merger acquisitions in contravention of the Competition Act.

In terms of the agreement, Mpact has undertaken to pay a penalty of R7 000 000 (seven million rand). The agreement follows an investigation initiated by the Commissioner in May 2016.

Mpact, through its indirectly wholly-owned subsidiary Rebel Packaging (Pty) Ltd (Rebel), acquired control of several entities without approval from the Commission. In terms of the Competition Act, these acquisitions were notifiable mergers, meaning that they were supposed to be reported to the Commission prior to implementation. Mpact has admitted that this conduct contravened the Competition Act.

In the course of its investigation, the Commission found that Mpact, together with a number of smaller entities, was involved in collusive conduct relating to price fixing, collusive tendering and division of markets in the market for the manufacture and supply of corrugated packaging products.

The Commission found that, after the mergers, Mpact, through its involvement as shareholder and supplier to the sheet plants over which it gained control, had insight into their costs and pricing as well as the specific customers whom they were targeting. Mpact also had a representative who sat on the board of directors of those sheet plants.

The Commission referred this matter to the Tribunal in April 2019. This settlement resolves all issues in relation to the prior implementation of Mpact's merger acquisitions and its alleged acts of collusion in contravention of the Competition Act.

**[ENDS]**

**Issued by:**

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