



competition commission
south africa

Media Release

For Immediate Release

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ESOR GROUP FOUND GUILTY OF PRICE-FIXING AND COLLUSIVE BIDDING

The Competition Commission welcomes the decision by the Competition Tribunal (Tribunal), handed down on Thursday 5 May 2022, in which it found the Esor group of companies guilty of price-fixing, market allocation, and collusive bidding in construction-related markets for geotechnical services, including piling, lateral support, grouting and geotechnical drilling investigation services.

The Tribunal found that Esor Limited, Esor Africa (Pty) Ltd and Esor Construction (Pty) Ltd contravened section 4(1)(b)(i), (ii), and (iii) of the Competition Act in that from the 1970s to at least 2015 the companies were part of a construction cartel that concluded agreements amongst themselves, fixed tender prices and allocated tenders/customers and projects amongst themselves. The matter relates to a complaint initiated by the Commission on 29 March 2009 and referred to the Tribunal on 2 March 2011.

Esor, established in 1985, is one of South Africa's benchmark civil engineering and construction groups providing specialist construction solutions including developments, building and housing, infrastructure, pipelines, pipe services, and sanitation.

The Tribunal found that the construction cartel formalised what was known as the Piling Group or the Book Club which was an arrangement to fix prices and collusively tender for geotechnical projects which included piling, lateral support, drilling, and grouting. Some of the projects included the Lusip Dam in Swaziland, the Sappi/Saiccor piling project, the Moses Mabhida Stadium piling project, and the Braamhoek Dam Grouting project, the Coega Harbour diaphragm wall project, Gautrain Rapid Rail Link project, Olifantsfontein Treatment plant and the Lesotho Highlands Water Project.

The case against Diabor Pty (Ltd), one of the remaining respondents in the matter, was dismissed. Four other companies - Geomechanics CC, Geomech Africa (Pty) Ltd, Rodio Geotechnics (Pty) Ltd, and Dura Soltanche Bachy – were initially cited as respondents but reached settlement agreements with the Commission.

The Tribunal fined Esor Limited, Esor Africa (Pty) Ltd, and Esor Construction (Pty) Ltd a penalty of **R15 700 000 million (fifteen million seven hundred thousand rands)**.

[ENDS]

Issued by:

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