



competition commission
south africa

Media Statement

For Immediate Release

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COMMISSION PROSECUTES VITA GAS FOR LIMITING ACCESS TO LPG IMPORT FACILITY

On Friday, 28 October, 2022, the Competition Commission (“Commission”) referred to the Competition Tribunal (“Tribunal”) a complaint against Vita Gas (Pty) Ltd (“Vita Gas”) for the alleged abuse of market dominance in the supply of liquified petroleum gas (LPG) from import terminals in the Western Cape. The Commission found that Vita Gas, by entering into an exclusive agreement with the only LPG terminal facility in the Western Cape, is in contravention of section 8(1)(d)(i), alternatively, 8(1)(c) of the Competition Act. The LPG terminal facility is owned by Sunrise Energy (Pty) Ltd (“Sunrise”).

“The Commission seeks to unlock competition and to facilitate new entry in the market for the supply of LPG in the Western Cape through this complaint referral. Naturally, exclusive agreements may, in certain circumstances, be anti-competitive and may impede the greater participation of new and emerging players. The Commission is of the view that this agreement prevents or excludes other LPG importers from using the only LPG terminal import facility in the Western Cape, thus limiting competition in the market for the supply of LPG in the coastal province,” said Competition Commissioner Doris Tshepe.

Vita Gas imports LPG, propane, and butane into southern Africa by ship. Vita Gas sells to any licenced customer that wishes to buy small or large volumes. The Sunrise terminal is currently the only LPG terminal in the Western Cape and is located at Saldanha Bay. The Western Cape is almost entirely reliant on imported LPG which comes through the Sunrise terminal facility. The Sunrise LPG terminal facility comprises a multi-buoy mooring system, subsea and overland pipeline, storage and blending facilities, as well as truck loading facilities.

The Commission investigated the matter pursuant to a complaint filed by Sunrise and found that Vita Gas was dominant in the relevant market, being the only supplier of LPG from import terminal facilities in the Western Cape since 2021. The Commission further found that the exclusive agreement prevents competitors of Vita Gas from gaining access to the Sunrise terminal facility and services in a manner that would enable them to import LPG at a sufficient scale to enter into, participate in, or expand in the market.

The Commission is seeking an administrative penalty, declaratory and interdictory relief against Vita Gas.

[ENDS]

Issued by:

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