



Press Release

For Immediate Release

13 December 2023

VICTRON ENERGY B.V. TO BE PROSECUTED FOR SETTING RESALE PRICE

The Competition Commission (Commission) has referred to the Competition Tribunal (Tribunal) for prosecution Victron Energy B.V. (Victron) for resale price maintenance in contravention of the Competition Act.

Resale price maintenance is an agreement by the manufacturer that prevents downstream distributors or resellers from reselling a product below a stipulated price. This conduct restricts and prevents price competition downstream as it restricts the pricing autonomy of distributors or resellers. Resale price maintenance is prohibited under section 5(2) of the Competition Act, 89 of 1998 (as amended).

It is alleged that Victron, a company based in the Netherlands, engaged in resale price maintenance between March 2020 and at least until the end of 2022. Victron is a supplier of electric power conversion products for mobile and other off-grid applications which include products such as sine wave inverters, sine wave inverter/charges and solar panels used in recreational and commercial boating, overland transportation, land-based off-grid energy systems, and in industrial settings. In South Africa, Victron's products include inverters and solar panels sold by online stores to end users.

The referral for prosecution follows a complaint lodged by a member of the public. The Commission's investigation found that Victron largely relies on its distributors, some of whom are Get Off Grid, Segen, Innomatic and I-G3N, to implement and to enforce the practice of resale price maintenance in respect of its products sold by online stores to end users in South Africa.

The Commission further found that Victron regularly publishes a recommended retail price list on its website and provides updated pricelists to its distributors on a quarterly basis. Although the list indicates that it is a recommended price, Victron, in practice, insists on a maximum discount from its recommended retail price list when the Victron products are sold to end customers by online stores.

The Commission's investigation revealed that Victron has implemented the resale price maintenance practice and ensures adherence by online stores to the maximum discount price with the assistance of its distributors who supply the online stores. Victron instructs its distributors to ensure that its online store customers comply with the maximum discount practice by threatening to either lower the discount provided to the distributor by Victron or by stopping supply to the distributor. The distributor would then in turn use similar threats of either lowering the discount provided to the online store by the distributor or by stopping supply to its online store customer to ensure compliance.

The Commission is seeking a maximum penalty of 10% of Victron's turnover in South Africa.

[ENDS]

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