Sime Darby Hudson Knight signs consent agreement over collusive conduct

By Mark Allix

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The Competition Tribunal on Wednesday said the Competition Commission had signed a consent agreement with edible fats and oil refinery producer Sime Darby Hudson Knight over collusive conduct.

This would see the Boksburg-based company pay a R35m fine for anti-competitive behaviour and invest an additional R135m in a new packaging and warehousing facility.

The commission had found during the period 2004 to about 2013, consumer goods maker Unilever SA and Sime Darby Hudson Knight had agreed to divide markets for specific types of edible fats and oil products.

In April 2014, it had conducted a search-and-seizure operation at the offices of Unilever SA in Durban, and Sime Darby Hudson & Knight in Gauteng in which documents and electronic data were seized.

"This (consent agreement) includes an agreement that Sime Darby Hudson Knight was precluded from supplying certain pack sizes of edible fats and oils to a number of customer channels," the tribunal said.

This meant that Sime Darby Hudson Knight could not supply retail outlets with certain products, it said.

The new packaging and warehousing facility would be able to package small-sized edible fats and oils for retail customers. Sime Darby Hudson Knight had further committed to using the services of a black empowerment (BEE) distributor and to assist this firm in becoming a viable business.

The tribunal suggested the behavioural remedies that formed part of the agreement should be monitored by the commission to ensure compliance. This meant that Sime Darby Hudson Knight's commitment to BEE distribution should be measurable.

Source: Business Day