

Tiger Brands' immunity queried

The long-running probe into the milling cartel yesterday encountered an obstacle that could strip Tiger Brands of the immunity it received from the Competition Commission for providing information on maize price fixing.



Nelspruit-based milling company Blinkwater yesterday challenged the commission's decision to exempt Tiger Brands from being penalized for its involvement in fixing the price of white maize.

Blinkwater, which makes Super B maize meal, argued before the Competition Tribunal that the commission went against its own leniency policy by granting Tiger Brands immunity when leniency had already been awarded to Premier Foods. In terms of the leniency policy, the commission could grant immunity to only one company per product under investigation, it said.

The fact that Premier Foods had already received immunity for its involvement in the white maize cartel made it unlawful for the commission to exempt Tiger Brands as well, argued Blinkwater's legal team. Therefore, the case against Blinkwater should be dropped, its lawyers maintained.

Spokesman for the Competition Commission Itumeleng Lesofe said the statutory body tasked with investigating uncompetitive business practices was within its rights to grant Tiger Brands, the maker of Ace maize meal, immunity as it had come out with new information that had not been provided by Premier Foods. Lesofe said Blinkwater had a gripe because new information supplied by Tiger Brands had implicated it.

"Our leniency policy is discretionary and states that another company can be granted exemption if circumstances dictate," said Lesofe. "This is such a circumstance." The Competition Tribunal adjourned the hearing yesterday and indicated it will decide on the matter in due course.

In a separate case Tiger Brands, Pioneer Foods and Foodcorp were found guilty of colluding to raise the price of bread in 2009. The bread producers were fined a total of about R338m.

Source: Business Day

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