

Competition Tribunal fines Corpcom Outdoor R1.38m for price fixing

The Competition Commission (Commission) has welcomed a ruling by the Competition Tribunal (Tribunal) in which it confirmed, as an order, a settlement agreement between the Commission and Johannesburg-based media firm, Corpcom Outdoor.



Source: www.pixabay.com

Price fixing

Corpcom admitted to price fixing and has agreed to pay an administrative penalty of R1,389,438 and contribute R500,198 to the Economic Development Fund.

In terms of the settlement details, Corpcom has agreed to cooperate with the Commission until all subsequent proceedings in the Tribunal or Competition Appeal Court are completed.

The Tribunal's order is the latest in several settlement agreements between the Commission and other media firms including Media Credit Co-ordinators (MCC); Mail and Guardian Media; Carpe Diem Media; SABC; Primedia; Ster-Kinekor Theatres; Trudon; United Stations; Media 24; Mediamark; MTV Networks Africa; DStv Media Sales; Provantage; Independent Media; and Caxton & CTP Publishers and Printers.

Restricted competition

The settlement with Corpcom follows an investigation launched by the Commission in 2011 whereby it was alleged that media firms, through MCC, agreed to offer similar discounts and payment terms to advertising agencies that place advertisements with MCC members.

The Commission's investigation found that accredited advertising agencies were offered a 16.5% discount for all payments within a 45-day period from the date of the statement whereas non-accredited advertising agencies were only offered a 15% discount. The firms also agreed to employ an intermediary firm, Corexalance (Pty) Ltd, to perform risk assessments on advertising agencies for purposes of imposing the settlement discount structure and terms on advertising agencies.

The Commission found that the above-mentioned practices restricted competition among competing companies as they did not independently determine an element of price in the form of discount or trading terms. The Commission concluded that this amounted to price fixing and the fixing of trading conditions, in contravention of Section 4(1)(b)(i) of the Competition Act.

During its investigation, the Commission found that Corpcom engaged in price-fixing practices before it became a member of the JCDecaux group. Although JCDecaux was not involved in the above-mentioned practices it has agreed on behalf of Corpcom to among other, provide 25% in bonus advertising space on roadside digital or static advertising inventory to qualifying small agencies for three years.

Read the full order [here](#).

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