

Competition Commission refers media firms to tribunal over price fixing claims

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The case relates to an investigation initiated by the commission in 2011, which found that Media Credit Co-Ordinators (MCC) provided a percentage discount to a negotiated price for advertising to agencies that placed their adverts with MCC members. MCC-accredited agencies were offered a 16.5% discount while nonmembers were offered 15%.

The commission has already reached a settlement with MultiChoice, Caxton and the Independent Group.

Sipho Ngwema, head of communications at the commission, said it was not inevitable that the proceedings would be drawn out. "The facts are similar in all of the cases, they are clear and straightforward," he said.

Ngwema said that a few of the 28 had already come forward to initiate settlement discussions. He also confirmed that although on the list, The Citizen and Avusa Media (now Tiso Blackstar) face no charges.

Any company found guilty of contravening the act could be slapped with a fine of up to 10% of its annual turnover. The names on the list vary from major players such as SABC, Media24 and Primedia to less well known entities such as Lugan Investments and Trudon.

One competition lawyer said it was possible that not all of the 28 companies realised that they were on the list and were likely to settle quickly. "However, for some, the possibility of being charged with contravention of the act is not lightly considered so they are prepared to get involved in a long drawn-out bid to clear their name."

Source: Business Day

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