

AIP takes legal action against MDDA and CCSA

The Association of Independent Publishers (AIP) has served legal papers to the Media Development and Diversity Agency (MDDA) and Competition Commission South Africa (CCSA).



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This is to review certain decisions by the MDDA and CCSA relating to, amongst other things, the criteria for funding of their Economic Development Fund (EDF) with a view to ensuring that the EDF benefits small, grassroots publishers.

The EDF is a fund which was established by the CCSA and administered by the MDDA. In 2011, the Commission initiated an investigation into various large media companies. The investigation uncovered evidence that the latter, through the Media Credit Coordinators (MCC) had agreed to offer similar discounts and payment terms to accredited and non-accredited agencies that placed adverts with MCC members.



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8 Jun 2022



The Commission found that the MCC was ultimately a pricing mechanism that breached the Competition Act of 1998. As a result of these investigations, the implicated companies were fined an amount of R39m and the funds were housed in the EDF.

Over a number of years, the AIP and its members have met with the CCSA and the MDDA to plead that a substantive portion of the funds is set aside to directly assist independent publishers. However, the CCSA and MDDA have chosen instead to allocate the funds to other categories.

The MDDA released a document on 17 January 2022 that confirmed that the amount collected was R39m but only R5.2m would be disbursed for sustainability projects that would assist surviving publishers.

At the end of January 2022, the MDDA sent out an advertisement calling for applications to the Fund, giving applicants one month to apply. The AIP expressed its distress and met with both organisations to discuss the eligibility criteria again.



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Chairperson of the AIP Board, Mbali Dhlomo, said, "They have been playing a cat-and-mouse game with us for far too long now. We need a solution which will be beneficial to our members who bore the brunt of the unfair and anti-competitive behaviour by the major media players between 2010 and 2015."

"The community print media sector is made up of very committed publishers who have struggled for a number of years. It cannot be that when funds become available, only a fraction of these funds are allocated to the print media sector, and publishers have to apply to access them. They deserve better than what has been offered to them," Dhlomo concluded.

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