



COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA

Case No: 019828

In the matter between:

The Competition Commission

Applicant

and

Superdoc Thirteen CC t/a Lowe Line
Furniture Removals

Respondent

Panel : N Manoim (Presiding Member)
M Mazwai (Tribunal Member)
A Wessels (Tribunal Member)

Heard on : 12 November 2014

Decided on : 12 November 2014

Order

The Tribunal hereby confirms the order as agreed to and proposed by the Competition Commission and Superdoc Thirteen CC t/a Lowe Line Furniture Removals, annexed hereto marked "A".



Presiding Member
Mr. N Manoim

12 November 2014
Date

Concurring: Ms. M Mazwai and Mr. A Wessels

ANNEXURE "A"

IN THE COMPETITION TRIBUNAL OF SOUTH AFRICA
(HELD IN PRETORIA)

CT Case No.

CC Case No: 2010Nov5447

In the matter between


COMPETITION COMMISSION

and

SUPERDOC THIRTEEN CC t/a LOWE LINE
FURNITURE REMOVALS

competition tribunal
south africa

2014 -10- 24

RECEIVED BY: 

TIME: 10H30

Applicant

Respondents

CONSENT AGREEMENT IN TERMS OF SECTION 49D AS READ WITH SECTIONS 58(1)(a)(iii) and 58(1) (b) OF THE COMPETITION ACT, NO. 89 OF 1998, AS AMENDED, BETWEEN THE COMPETITION COMMISSION AND SUPERDOC THIRTEEN CC, IN RESPECT OF CONTRAVENTIONS OF SECTION 4(1)(b) (iii) OF THE COMPETITION ACT, 1998.

Preamble

The Competition Commission and Superdoc Thirteen cc t/a Lowe Line Removals hereby agree that application be made to the Competition Tribunal for the confirmation of this Consent Agreement as an order of the Tribunal in terms of section 49D read with section 58(1)(a)(iii) and 58(1)(b) of the Competition Act, 1998 Act No. 89 of 1998, as amended (the Act), in respect of contraventions of sections 4(1)(b) (iii) of the Act, on the terms set out below.

1. Definitions

For the purposes of this Consent Agreement the following definitions shall apply:

- 1.1 "Act" means the Competition Act, 1998 (Act No. 89 of 1998), as amended;
- 1.2 "Lowe Line Removals" means Superdoc Thirteen CC, a Close Corporations incorporated under the laws of the Republic of South Africa with its principal place of business at 29 Tin Street, Uppington, Northern Cape.
- 1.3 "CLP" means the Commission's Corporate Leniency Policy (Government Gazette Notice no. 628 of 23 May 2008) published in Government Gazette no.31064 of 23 May 2008;
- 1.4 "Commission" means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Act, with its principal place of business at Mulayo Building (Block C), the DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, Gauteng;
- 1.5 "Commissioner" means the Commissioner of the Competition Commission, appointed in terms of section 22 of the Act;
- 1.6 "Complaint" means the complaint initiated by the Commissioner in terms of section 49B(1) of the Act under case number 2010Nov5447;
- 1.7 "Consent Agreement" means this agreement duly signed and concluded between the Commission and Lowe Line Removals;
- 1.8 "Cover Price" means generally, a price that is provided by a firm that wishes to win a tender to a firm that does not wish to do so, in order that

the firm that does not wish to win the tender may submit a higher price; or alternatively a price that is provided by a firm that does not wish to win a tender to a firm that does wish to win that tender in order that the firm that wishes to win the tender may submit a lower price;

1.9 "Parties" means the Commission and Low Line Removals; and

1.10 "Tribunal" means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Act, with its principal place of business at Mulayo building (Block C), the DTI Campus, 77 Meintjies Street, Sunnyside, Pretoria, Gauteng.

2. THE COMMISSION'S INVESTIGATION AND FINDINGS

2.1 On 3 November 2010, the Commission initiated a complaint in terms of section 49(B)(1) of the Act into alleged prohibited practices relating to collusive tendering in the supply of furniture removal services in South Africa against J.H. Retief Transport CC, Patrick Removals (Pty) Ltd, Cape Express, Sifikile Transport CC, Gloway Transport CC, De Wet Human CC t/a Viking Furniture, Stuttford Van Lines (Pty) Ltd and Pro-Pack Removals CC.

2.2 On 1 June 2011, the Commission amended the complaint to include other furniture removal firms as respondents in the complaint on the basis of further information obtained in the investigation of the complaint. These firms are A&B Movers CC, Advance Transport (Pty) Ltd, African Palletized Storage, Afriworld Furniture Removals CC, Core Relocations (Pty) Ltd, Crown Relocations (Pty) Ltd, De Lange Transport (Pty) Ltd, Elliot International CC, Execu-Move CC, Joel Transport (Pty) Ltd, Langs Furniture Removals, Lowe Lines CC, Majorshelf, Matthee Removals CC, North Western Transport CC, Pickfords Removals (Pty) Ltd, Pulse

International Removals, Stanley's Removals CC, Transfreight International CC, Western Transport Services CC, JNK Transport Services, Trapezium Removals, Elite International, City to City Transport, Wiets Removals, H&M Removals, AGS Frasers International (Pty) Ltd, and all present members of the Professional Movers Association.

2.3 On 13 June 2013, the Commission further amended the complaint to include other furniture removal firms as respondents in the complaint on the basis of further information obtained in the investigation of the complaint. These firms are Easy Moves CC, Reliable Removals CC, Deon Nel Sole Proprietorship t/a AD Transport, Bear Transport (Pty) Ltd, J&H Removals (Pty) Ltd, Mini Maxi Movers CC, Baxter International Movers CC, Louis du Preez Sole Proprietorship t/a Removals 4 Less, A to Z Relocation Services t/a The Moving Company and AKA Loading & Transport CC.

2.4 The firms listed in paragraphs 2.1, 2.2 and 2.3 above shall hereinafter be referred to as "Respondents".

2.5 The Commission's investigation revealed the following:

2.5.1 During or about the period 2007 to at least December 2012, the firms identified in 2.1, 2.2 and 2.3 above, being competitors in the market for the provision of furniture removal services agreed to tender collusively in relation to the supply of furniture removal services.

2.5.2 In terms of the agreement a firm that was contacted first regarding a request for quotation for furniture removal services would offer to source two or more quotations on behalf of the customer, and would then contact two or more of its competitors and request the competitors to submit cover prices.

2.5.3 The cover prices would either be sent directly to the customer or to the competitor wishing to win the tender for onward submission to the customer.

2.5.4 The Respondents arranged to collude on tenders issued by various government departments, including but not limited to, the South African National Defence Force (SANDF), South African Police Services (SAPS), as well as tenders issued by large corporates such as Eskom and Pretoria Portland Cement (PPC).

2.5.5 The Commission further found that, pursuant to the arrangement set out above, Lowe Line Removals had engaged in 113 instances of cover pricing.

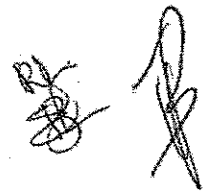
2.5.6 This conduct constitutes collusive tendering in contravention of section 4(1)(b) (iii) of the Act.

3. ADMISSION

Lowe Line Removals admits that it engaged in the conduct set out in paragraph 2.5 above in contravention of section 4(1)(b) (iii) of the Act.

4. CO-OPERATION

Lowe Line Removals agrees to fully cooperate with the Commission in its investigation and prosecution of the remaining respondents in the complaint. This cooperation includes, but is not limited to:

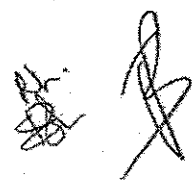
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- 4.1. To the extent that it is in existence, the provision of evidence, written or otherwise, which is in its possession or under its control, concerning the alleged contraventions contained in this Consent Agreement.
- 4.2. Testifying in the complaint referral (if any) in respect of the contraventions set out in this Consent Agreement.

5 FUTURE CONDUCT

Lowe Line Removals agrees to:

- 5.1 prepare and circulate a statement summarising the content of this agreement to its employees, managers and directors within fourteen (14) days of the date of confirmation of this Consent Agreement as an order of the Tribunal;
- 5.2 refrain from engaging in conduct in contravention of section 4 (1)(b) (iii) of the Act in future;
- 5.3 develop, implement and monitor a competition law compliance programme as part of its corporate governance policy, which is designed to ensure that its employees, management, directors and agents do not engage in future contraventions of the Act. In particular, such compliance programme should include mechanisms for the identification, prevention, detection and monitoring of any contravention of the Act;
- 5.4 submit a copy of such compliance programme to the Commission within 60 days of the date of confirmation of the Consent Agreement as an order by the Tribunal; and

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5.5 undertakes henceforth to engage in competitive bidding.

6 Administrative Penalty

- 6.1 Having regard to the provisions of sections 58(1)(a)(iii) as read with sections 59(1)(a), 59(2) and 59(3) of the Act, Lowe Line Removals is liable to pay an administrative penalty.
- 6.2 Lowe Line Removals agrees and undertakes to pay an administrative penalty in the amount of R249 616 (two hundred and forty-nine thousand six hundred and sixteen rands) which represents 8% of its annual turnover for the financial year ending February 2013.
- 6.3 Lowe Line Removals will pay the amount set out in paragraph 6.2 above to the Commission in four equal quarterly instalments over a period of 12 months. The first payment shall be made within 7 (seven) days of the confirmation of this Consent Agreement as an order of the Tribunal.
- 6.4 Lowe Line Removals will pay the balance of the amount above in three quarterly equal instalments within 12 months after the order of the Tribunal.
- 6.5 The administrative penalty must be paid into the Commission's bank account which is as follows:

Name: The Competition Commission Fee Account

Bank: Absa Bank, Pretoria

Account Number: 4050778576

Branch Code: 323 345

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Ref: 2010/Nov5447/Lowe Line Removals

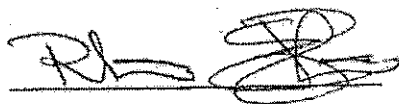
- 6.6 The administrative penalty will be paid over by the Commission to the National Revenue Fund in accordance with the provisions of section 59(4) of the Act.

7 Full and Final Settlement

This agreement, upon confirmation as an order by the Tribunal, is entered into in full and final settlement of the conduct set out in paragraph 2.5 above and concludes all proceedings between the Commission and Lowe Line Removals in respect of this conduct only.

Dated and signed at Upington on the 11 day of October 2014

For Superdoc Thirteen CC



Chief Executive Officer

Dated and signed at PRETORIA on the 22nd day of October 2014

For the Commission



Tembinkosi Bonakele
Competition Commissioner