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**22 May, 2017**

**Giuricich Coastal Projects fined R900 000 for cover pricing**

The Competition Tribunal today, Monday, 22 May 2017, issued an order imposing an administrative penalty of R900 000 on Giuricich Coastal Projects (Pty) Ltd for cover pricing in 2008 while tendering for the Mondi Reel Handling Project. The other party Grinaker, a wholly owned subsidiary of Aveng (Africa) Limited, was awarded conditional immunity for the contravention.

The Commission in its complaint said that Mondi invited three firms – Giuricich, Grinaker and Stefanutti Stocks to submit a design and construct proposal for the construction of the Mondi Reel Handling Project in Mondi Merebank mill in Kwa-Zulu Natal. Stefanutti did not tender for the project.

According to the complaint brought by the Competition Commission (“Commission”) the two executives of the rival building companies discussed a proposed contract for a customer in which Giuricich agreed to submit a tender higher than that of Grinaker, ensuring that Grinaker would be awarded the contract. The project was awarded to Grinaker.

The Tribunal was faced with the challenge of deciding which argument was the most plausible – that of the Commission or that of Giuricich, as the content of a phone conversation between the rival building companies, of which there are no other witnesses, was the subject of dispute. On one version, that of the Commission, the conversation formed an integral part of the conspiracy to rig a tender. Giuricich’s version of the contents of the telephone conversation favoured them.

In the reasons to be released next week the Tribunal explains in detail its decision for finding that Giuricich had contravened the Competition Act.

Issued by:

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