

Sasol heads for the Competition Tribunal

Sasol will appear before the Competition Tribunal from Monday (13 May) on allegations that the company charged excessive prices for materials used in the production of plastics.



The case was brought against the petrochemicals company by the Competition Commission, which alleges that Sasol is charging excessive prices for propylene and for polypropylene in the domestic market.

Propylene is the primary material used in the manufacture of polypropylene. Polypropylene is a polymer used by plastics converters to produce a wide range of plastic products such as food packaging, household products, plastic pipes and car parts.

The case arises from the Commission's 2007 investigation against Sasol and Safripol, in which it found that both parties had colluded to indirectly fix the price of polypropylene. It also found that Sasol had charged excessive prices for propylene and polypropylene.

The Commission alleges that Sasol is charging excessive prices to the detriment of consumers and has requested the Tribunal to impose a penalty of 10% of Sasol's 2009 turnover for the alleged contraventions.

The Commission referred the case to the Tribunal in August 2010. Since that time both Sasol and Safripol have settled with the Commission on the collusion aspect of the case, paying penalties of R16.5m and R111m respectively. However, Sasol has denied the excessive pricing allegations and intends to defend its pricing policies in next week's hearing.

The Tribunal expects to hear evidence from 16 witnesses, over the four-week hearing.