

# Caxton and Independent Group fined for colluding on advertising prices

By [Robert Laing](#)

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Newspaper publisher Caxton has been fined R5.8m and the Independent Group R2.2m for colluding on the prices they charged to advertisers, the Competition Commission said on Friday.



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This follows a R22.3m fine handed to Naspers's pay-TV subsidiary, DStv, in May 2017, the commission said.

In addition to the fines for price fixing, the media companies have agreed to contribute to black economic-empowerment development funds and to offer advantageous deals to small, black-owned advertising agencies.

Caxton will contribute R2m and the Independent Group R799,417 to the development fund over three years. Naspers's DStv was required to contribute R8m to the fund over three years.

The three media groups implicated so far are also required to offer 25% "bonus advertising space" to small, black-owned agencies for every rand of advertising bought, capped at R15m for Caxton, R5m for the Independent Group, and R50m for

DStv.

"The matter relates to a November 2011 investigation which found that, through the Media Credit Co-ordinators (MCC), various media companies agreed to offer similar discounts and payment terms to advertising agencies that place advertisements with MCC members," the commission's statement said.

The commission found MCC-accredited agencies were offered a 16.5% discount, while non-members were offered 15%.

"In addition, the commission found that the implicated companies employed services of an intermediary company called Corex to perform risk assessments on advertising agencies for purposes of imposing a settlement discount structure and terms on advertising agencies."

**Source:** BDpro

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