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## MEDIA RELEASE(SUMMARY)

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### **TWO FURTHER INVESTIGATIONS LAUNCHED BY THE COMPETITION COMMISSION: BEEF MARKET AND SERVICE FEES CHARGED BY TRAVEL AGENTS**

The Competition Commission of Mauritius (CCM) has launched a further two separate investigations, into potential Competition Act breaches: in the beef market, and by travel agents.

- (1) The allegations made to the CCM concerning the first investigation are of potentially restrictive practices in the market for beef. The CCM is investigating whether Socovia Ltee is using a dominant position in the importation of live cattle to restrict competition in the downstream retail market for fresh beef meat. That would constitute a monopoly abuse under Section 46 of the Competition Act. Furthermore, the CCM will investigate whether a group of companies acting together with Socovia may have entered into a collusive agreement which has the object or effect of restricting, distorting or preventing competition in the markets for live cattle, or for fresh beef, ultimately to the detriment of consumers. If so, that would be a breach of Section 41 of the Act.
- (2) The second investigation has been instigated by allegations that travel agencies, following advice by MAITA, are setting similar service fees. The guidelines were issued by Air Mauritius following the end of the system of airlines paying commission to travel agencies. If pricing guidelines are being implemented by several travel agents, that may be considered to be a collusive price-fixing agreement, which could be a breach of Section 41 of the Competition Act.

Only when an Investigation has been completed can firm conclusions be drawn. At this early stage the Executive Director of the CCM has concluded, separately for in each case, that he has reasonable grounds to believe that the practices suspected are being carried out and that these may represent breaches of the Competition Act 2007. And so the CCM is investigating.

John Davies, Executive Director of the Competition Commission, said:

“These separate investigations each involve allegations of the most serious breaches of the Competition Act: agreements between competitors to prevent, restrict or distort competition. We are now investigating these allegations: collecting evidence, listening to the views of parties under investigation and analyzing the markets. It is quite possible in either case that we might find only a lesser breach of the Act, or we might find that there is no competition problem at all. This is just the start of the investigation, and nothing has been concluded. However, if companies are in breach of the prohibition on collusive agreements, they could face financial penalties.”

This brings the number of investigations announced by the Competition Commission to three, since the Competition Act came fully into effect on 25<sup>th</sup> November. John Davies said:

“The Competition Commission is now carrying out several investigations across a range of sectors of the economy. When the Commission was first established in June 2009, we said we would be fully up and running before the end of the year. We are now fully operational, carrying out our duties under the Competition Act. This law has become part of the business environment in Mauritius. That has to be good for consumers, good for business and good for the continuing development of the economy.”