

NOTICE 1369 OF 2009

**NOTICE OF AN APPLICATION FOR AN EXEMPTION IN TERMS OF SECTION 10 OF
THE COMPETITION ACT:
ALLENS MESHCO (PTY) LTD**

An exemption application has been filed with the Competition Commission by Allens Meshco (Pty) Ltd ("Allens Meshco") for an exemption from certain provisions of Chapter 2 of the Competition Act 89 of 1998, as amended ("the Competition Act").

Allens Meshco is a private company which manufactures and trades in steel wire and wire products. Its application is for an exemption to discuss prices and exports in relation to wire products; and prices, margins and vertical agreements or industry restructuring in relation to the supply of wire rod, with Cape Gate (Pty) Ltd, Consolidated Wire Industries (Pty) Ltd,¹ ArcelorMittal South Africa Ltd and Scaw South Africa (Pty) Ltd. This practice may constitute a prohibited practice in terms of section 4(1)(b)(i), 4(1)(b)(ii) and 5(1) of the Competition Act.

The premise of the application is that such a practice is required for:

- The maintenance or promotion of exports (section 10(3)(b)(i)); and
- Promotion of the ability of small businesses, or firms controlled or owned by historically disadvantaged persons, to become competitive (section 10(3)(b)(ii)); and
- Change in productive capacity necessary to stop decline in an industry (10(3)(b)(iii)); and
- The economic stability of any industry designated by the Minister of Trade and Industry, after consulting the Minister responsible for that industry (10(3)(b)(iv)).

Allens Meshco seeks an exemption for a period of two (2) years and it is to be noted that the Minister of Trade and Industry has not designated this industry as yet.

¹ Consolidated Wire Industries ("CWI") is owned by ArcelorMittal and Anglo South Africa Capital (Pty) Ltd, and Scaw South Africa (Pty) Ltd is responsible for the management of CWI