



Safripol
preferred polymer partner



NEWSLINE

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Safripol to Renegotiate its Supply Agreement with Sasol

Safripol has reached a settlement agreement with the Competition Commission to renegotiate its propylene supply contract with Sasol. The Commission found – and we agreed – that the existing contract forced Sasol and Safripol to share competitively sensitive information relating to pricing, and constrained Safripol from offering more competitive prices for its polypropylene products.

The contract between Sasol and Sentrachem (of which Safripol was then a division) was agreed in 1994 with the knowledge of the Competition Board, which was concerned about the possible impact of the merger of Sasol and AECI. When the Safripol division of Sentrachem was acquired by a group of investors and managers in 2006, we too were bound by the original supply contract.

Safripol has admitted that the amendment of the Competition Act in 1998 had the effect of making certain terms within the supply contract “restrictive” in terms of the law. At no time has the Competition Commission, suggested that Safripol has engaged in any anti-competitive practices other than implementing the provisions of its supply contract. The company has agreed to pay a token administrative penalty of R16 million and to renegotiate its supply contract with Sasol.

Regards,

Joaquin Schoch
CEO