

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 ArceorMittal and Anglo South Africa Capital (Pty) Ltd, and Scaw South Africa (Pty) Ltd is responsible for the management of CWI

Notice of the exemption application is thereby given in terms of section 10(6) of the Competition Act. Interested parties can make written submissions to the Competition Commission within twenty (20) business days from the date of this Notice as to why the exemption should not be granted. Correspondence may be directed to:

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Competition Commission
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In correspondence kindly refer to case number 2009Jan4218