



competition commission
south africa

Statement on the decisions of the Competition Commission

Date: 27 October 2016

1. Key decisions on Mergers and Acquisitions

Proposed merger between Abercom (Pty) Ltd (Abercom), Branch Engineering (Pty) Ltd (Branch Engineering) and Erf 616 Selby (Pty) Ltd (Erf 616)

The Commission has recommended to the Tribunal an approval, without conditions, in the large merger whereby Abercom intends to acquire Branch Engineering and Erf 616.

Abercom is a newly incorporated entity which has been formed for the purposes of this transaction and does not provide any products or services.

Branch Engineering supplies and installs primarily scale potable water storage in a form of modular, pressed galvanised steel tanks.

Erf 616 owns two adjacent properties in Selby, Johannesburg (situated at 10-12 John Street, Selby) and one property in Bedfordview (6A Bradford Road, Bedfordview, 2007).

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market in South Africa. Furthermore, the proposed transaction does not raise any public interest concerns.

Proposed merger between K2014179225 (Pty) Ltd (K2014), Salestalk 298 (Pty) Ltd (Salestalk), Rainbow Beach Trading 180 (Pty) Ltd (Rainbow Beach) and Twin Cities Trading 392 Proprietary Limited in respect of Harding Corner Shopping Centre(Harding Corner) (Target Firms).

The Commission has approved, without conditions, the intermediate merger whereby the K2014 intends to acquire the Target Firms.

K2014 is constituted of property ownership firms with a focus on the development of and investments in retail, office and residential properties.

Salestalk is a property ownership firm and currently owns the Bushbuckridge Shopping Centre, situated in Bushbuckridge, Mpumalanga.

Rainbow Beach is a property holding firm and Harding Corner is a shopping centre situated in KwaZulu-Natal.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between Cream Magenta 140 (Pty) Ltd (Cream Magenta), Metcap14 (Pty) Ltd (Metcap), RAC Investment Holding (Pty) Ltd (RIH) and Trans Hex Group Ltd (Trans Hex)

The Commission has approved, without conditions, the intermediate merger whereby the Cream Magenta, Metcap and RIH intend to acquire Trans Hex.

Cream Magenta, Metcap and RIH hold interest in entities operating in various industries such as engineering consumables, capital equipment, building supplies, investment services, internet and media. Trans Hex controls firms that are engaged in the exploration, mining, marketing, polishing and cutting of diamonds.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market. Further, the vertical overlap is unlikely to result in any foreclosure concerns. In addition, the proposed transaction does not raise any other public interest concerns.

Proposed merger between Genesys Telecommunications Laboratories Inc (Genesys) and Interactive Intelligence Inc (Interactive)

The Commission has approved, without conditions, the intermediate merger whereby Genesys intends to acquire Interactive.

Genesys is part of the Genesys Group which is a software supplier active globally in the development, manufacture and sale of software products. Interactive offers customer engagement products and unified communications and collaboration products.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market in South Africa. In addition, the proposed transaction does not raise any other public interest concerns.

Proposed merger between Rohlig-Grindrod (Pty) Ltd (Rohlig-Grindrod) and Rockwood Kapele Freight and Logistics Services (Pty) Ltd (Kapele)

The Commission has approved, without conditions, the intermediate merger whereby Rohlig-Grindrod intends to acquire Kapele.

Rohlig-Grindrod offers logistic services, freight-forwarding, warehousing, contract logistics and marine insurance.

Kapele comprises of business assets and liabilities (Transferred Business) relating to, and associated with, Kapele's pharmaceutical customers. The Transferred Business provides freight forwarding services, including air and sea, and customs clearing services, customs brokerage, warehousing and inventory management as well as national and global distribution.

The Commission found that the proposed transaction is unlikely to change the structure of any market and, therefore, the proposed transaction is unlikely to substantially prevent

or lessen competition. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between AFHCO Holdings (Pty) Ltd (AFHCO) and Rainbow Place Properties 80 (Pty) Ltd (Rainbow Place)

The Commission has approved, without conditions, the intermediate merger whereby AFHCO intends to acquire Rainbow Place.

AFHCO is a developer and investor in housing and commercial properties and its property portfolio consists of residential, retail, office and industrial property. Rainbow owns a residential building consisting 432 units located in Johannesburg CBD.

The Commission found that the merged entity's market share remains low post-merger, thus the proposed transaction is unlikely to raise competition concerns. The Commission also found that the transaction does not raise public interest concerns.

Proposed merger between Georgia Avenue Investments 92 (Pty) Ltd (Georgia Avenue), Alteri Share Block (Pty) Ltd (Alteri) in respect of the property letting enterprise known as the Hyatt Hote (Hyatt) I , Rosebank, together with the entire issued share capital in Oxford Rosebank Hotel Services (Pty) Ltd, and Rosebank Employees (Pty) Ltd

The Commission has approved, without conditions, the intermediate merger whereby Georgia Avenue intends to acquire Hyatt from Alteri, the entire issued share capital of Oxford Rosebank Hotel Services (Pty) Ltd ("Oxford Co") and Rosebank Employees (Pty) Ltd ("Rosebank Employees Co"), respectively.

Georgia Avenue has a number of property holdings in South Africa including hotels and game farms. The Hyatt Hotel is a 5-Star hotel situated in Rosebank. Oxford Co and Rosebank Employees Co are entities that provide services to Alteri and the business of the Hyatt Hotel.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition the merged entity's market share remains low. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between Sun Village Supermarket (Pty) Ltd (SV Supermarket), Alpha Bakery Confectionary (Pty) Ltd, in respect of the businesses known as Sun Village SUPERSPAR (Target Business)

The Commission has approved, without conditions, the intermediate merger whereby SV Supermarket intends to acquire the Target Business.

SV Supermarket is a shelf company and does not conduct any business activities. The Target Business is a retail supermarket store

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition no geographic overlap in the activities of the merging entities. The proposed transaction is also unlikely to raise any public interest concerns.

Proposed merger between Naresize (Pty) Ltd (Naresize) and Setso Property Fund (Pty) Ltd (Setso)

The Commission has approved, without conditions, the intermediate merger whereby Naresize intends to acquire Setso.

Naresize is a newly formed investment company. Setso is also a newly established property holding company.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market as the activities of the merging parties do not overlap. In addition, the proposed transaction does not raise any public interest concerns.

2. Non Referrals – The Commission has taken a decision to non-refer (i.e. not to prosecute) the following case

- a) **Probraz Metals (Pty) Ltd vs. Silver Solder SA, Afritech (Pty) Ltd, Metalon (Pty) Ltd, Techmet (Pty) Ltd, Afrisol (Pty) Ltd and Barend Johannes Liebenberg** - *The Commission found that the conduct complained of does not contravene the Competition Act.*
- b) **Dr. Steven Pretorius vs. Clicks Group and Dis-Chem** - *The Commission found that the conduct complained of does not contravene the Competition Act.*
- c) **Patience Mahlare vs. Sorbet Group** - *The Commission found that the conduct complained of does not contravene the Competition Act.*
- d) **Anonymous vs. Coca Cola Fortune (Pty) Ltd** - *The Commission found that the conduct complained of does not contravene the Competition Act.*
- e) **Justin Emslie vs. Platinum Listings** - *The Commission found that the conduct complained of does not contravene the Competition Act.*

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