Weekly Media Statement
For immediate release
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LATEST DECISIONS BY THE COMPETITION COMMISSION

1. **Key decisions on Mergers and Acquisitions**

1.1 Guardrisk Life Ltd v The Standard General Insurance Company Ltd

The Commission has recommended to the Tribunal that the large merger be approved, without conditions, whereby the Standard General Insurance Company Limited (Stangen) intends to transfer all its rights and obligations as the primary insurer of certain credit life policies to Guardrisk Life Limited (Guardrisk) so that it becomes the primary insurer in the place of Stangen.

Guardrisk is a wholly-owned subsidiary of Guardrisk Group (Pty) Ltd, which is in turn a wholly-owned subsidiary of MMI Strategic Investments (Pty) Ltd. MMI Strategic Investments (Pty) Ltd is directly controlled by MMI Holdings Limited, a public company listed on the JSE.

The primary target firm consists of the credit life insurance policies underwritten by Stangen in relation to (i) the credit life agreement between Residual Debt Services Limited (under curatorship) (RDS) and its credit customers and (ii) the credit life agreement originally concluded between RDS and its customers and subsequently transferred to African Bank Limited.

The proposed transaction is unlikely substantially prevent or lessen competition in the markets for long-term individual credit life and corporate group credit life products. In addition, the proposed transaction does not give rise to any public interest concerns.

1.2 Precrete Holdings (Pty) Ltd v Platchro Holdings (Pty) Ltd

The Commission has recommended to the Tribunal that the large merger be approved, without conditions, whereby Precrete Holdings (Pty) Ltd (Precrete) intends to acquire Platchro Holdings (Pty) Ltd (Platchro).

Precrete is a private company incorporated in accordance with the laws of South Africa. Precrete is controlled by PSG Private Equity (Pty) Ltd (PSG PE). Precrete specialises in producing and distributing pre-mixed concrete for construction, support and other mining related applications predominantly in the platinum mining sector.

Platchro provides mining services to customers, predominantly in the platinum mining sector. The services include installation of primary and secondary support solutions, provision of scaffolding, the
design, manufacture, installation, maintenance and operation of conveyor belts, sweeping and vamping, and waste management, salvage and reclamation services.

The Commission finds that the proposed transaction is unlikely to substantially prevent or lessen competition. There are also no public interest concerns arising from the proposed transaction.

1.3 RPC Group PLC v Astrapak Ltd

The Commission has approved, with conditions, the proposed intermediate merger whereby RPC Group PLC (RPC Group) intends to acquire Astrapak Limited (Astrapak).

RPC Group is incorporated in terms of the laws of Northamptonshire, United Kingdom and is listed on the London Stock Exchange. RPC Group is a leading global plastic products design and engineering company for the packaging and non-packaging markets. It has an international footprint in the plastic packaging market with 136 manufacturing sites in 29 countries, except South Africa. It is a new entrant in South Africa.

Astrapak is incorporated in terms of the laws of South Africa and is listed on the Johannesburg Securities Exchange. Astrapak’s plastic manufacturing and distribution business focuses on 3 (three) main operational divisions and services namely: food, beverage, personal care, including; automotive, pharmaceutical, industrial and retail markets. It has nine manufacturing facilities across South Africa.

Following its investigation, the Commission found that there is a joint venture between Weener Plastik and Astrapak for the manufacture of roll-on balls in South Africa. The Commission also found that Weener Plastik is a global supplier of rigid plastic packaging products and thus competes with RPC Group globally.

As a result, the Commission is concerned that should Weener Plastik decide to enter the South African market for the manufacturing of rigid plastic packaging products, this may lead to co-ordinated effects in that RPC Group is also active in the aforesaid market.

The Commission acknowledged that in the event that RPC Group employees (including its directors) were to have access to confidential information and know-how of the JV, the risk of information sharing with regard to competitively sensitive information is heightened. Therefore, the Commission considered it necessary to impose conditions to eliminate this concern at various levels including inter alia on the respective companies’ board of directors, production plant level, etc.

1.4 TFC (Operations) (Pty) Ltd and TFC Properties (Pty) Ltd v The Business of Figtree Trading CC, Northern Vision Investments CC, Oxycorp Trading CC, Balalaika Property Investments CC and Lanemark (Pty) Ltd

The Commission has approved, without conditions, the proposed intermediate merger whereby TFC (Operations) (Pty) Ltd (TFC Opco) and TFC Properties (Pty) Ltd (TFC Propco) intends to acquire the Business of Figtree Trading CC (Figtree), Northern Vision Investments CC (Northern Vision), Oxycorp Trading CC (Oxycorp), Balalaika Property Investments CC (Balalaika) and Lanemark (Pty) Ltd (Lanemark), the Target Firms.

TFC Opco and TFC Propco are wholly owned subsidiaries of Kaap Agri Bedfry Limited (Kaap Agri Bedfry), which is in turn controlled by Kaap Agri Limited (Kaap Agri). Kaap Agri is a retail services group
that supplies a variety of products and services mainly to customers operating in the agricultural sector, but also to the general public. Kaap Agri's product and service offering consists of retail stores (which sell farming requisites, packaging materials, building materials, steel and fencing products, lifestyle products, camping, outdoor and gardening products), financing services, grain handling and related services, storage and other grain handling services, agricultural management services and fuel sales.

Figtree owns two fuel service stations where it supplies petrol and diesel products to the general public. It also operates a convenience store on the premises. Oxycorp operates a fuel retail station in Port Elizabeth in the Eastern Cape under the brand Sasol Motherwell where it supplies petrol and diesel products. It also operates a convenience store on the premises. Northern Visions is a property owning company and owns an immovable property which it leases to Sasol Stanford. Balalaika is a property owning company and owns an immovable property, which it leases to Sasol Motherwell. Lanemark is a property owning company and owns an immovable property, which it leases to Sasol William Moffit.

In terms of the proposed transaction, TFC Opco and TFC Propco intend to purchase three fuel service station businesses, together with the immovable properties on which they are operated, from the target firms. The Commission finds that the proposed transaction is unlikely to substantially prevent or lessen competition. The proposed transaction does not raise any public interest concerns.

1.5 One Equity Partners VI LP v USCO SpA

The Commission has approved, without conditions, the proposed intermediate merger whereby One Equity VI LP (OEP) intends to acquire USCO SpA (USCO).

OEP is a limited partnership incorporated under the laws of the Cayman Islands. In South Africa, OEP operates two bakeries – one in Cape Town and another in Pretoria. These bakeries produce a range of buns.

USCO is a company incorporated in accordance with the laws of Italy. In South Africa, USCO supplies product lines like buckets, loading ramps and hydraulic hammers. USCO does not have any manufacturing facilities in South Africa, and it simply distributes its products throughout South Africa.

The Commission is of the view 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.

2 Non Referrals: The Commission has taken a decision to non-refer (not to prosecute) the following cases:

2.1 Nadine Pretorius v Cycling South Africa: Gregory Van Heerden
The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.2 Industrial Hemp (Pty) Ltd v the Industrial Development Corporation and sustainable Fibre Solutions (Pty) Ltd
The Commission is of the view that the conduct complained of does not contravene the Competition Act.
2.3  **Sipho Pius Maile v Nedbank**  
The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.4  **Iren Baloyi v Ford South Africa**  
The Commission is of the view that the conduct complained of does not contravene the Competition Act.

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