



competition commission
south africa

Statement on the decisions of the Competition Commission

Date: 04 August 2016

1. Key decisions on Mergers and Acquisitions

Proposed merger between Akzo Nobel N.V (AkzoNobel) and The Industrial Coatings Business of Basf SE (BASF IC)

The Competition Commission (Commission) has approved without conditions the intermediate merger whereby AkzoNobel intends to acquire BASF IC.

AkzoNobel is a global firm that produces and markets a wide range of decorative paints, performance coatings and speciality chemicals. BASF IC is a unit within BASF SE which is active in the business of developing, manufacturing, selling and distributing coating products.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in market for the supply of powder coatings as the structure of the market does not change as a result of this transaction. Further, the proposed merger does not raise public interest concerns.

Proposed merger between Goldrush Group (Pty) Ltd (Goldrush) and Crazy Slots (Pty) Ltd (Crazy Slots)

The Commission has approved without conditions the proposed merger whereby Goldrush intends to acquire Crazy Slots.

Goldrush is active in the provision of regulated gaming services or products, including electronic betting terminals (EBTs), limited pay-out machines (LPMs), sports betting and casinos. Crazy Slots is active in the provision of LPMs in the Gauteng Province only.

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

Proposed merger between Overberg Bedrywe (Pty) Ltd (Overberg) and Agricultural Packing (Pty) Ltd (Agpack)

The Commission has approved without conditions the intermediate merger whereby Overberg intends to acquire Agpack.

Overberg is involved in the sale and distribution of packaging products in the agricultural sector. Agpack is a distributor of agricultural packaging to the fruit industry, both for local and export markets. It mainly supplies citrus and grape growers.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the market for wholesale distribution of agricultural packaging materials. Furthermore, the proposed transaction does not raise any public interest concerns.

Proposed merger between Invenfin (Pty) Ltd (Invenfin) and Joya Brands (Pty) Ltd (Joya Brands)

The Commission has approved without conditions the intermediate merger whereby Invenfin intends to acquire Joya Brands.

The Acquiring Group has interests in firms that are involved, inter alia, in the food, liquor and home care, banking, healthcare, insurance, infrastructure and media. Joya is a manufacturer and supplier of sugar confectionery.

The Commission found that the proposed transaction is unlikely to substantially lessen or prevent competition in the market for the supply of sugar-based confectionary products and the market for the supply of popcorn. Further, the proposed transaction does not raise any public interest concerns.

Proposed merger between Rainprop (RF) (Pty) Ltd (Rainprop) and Hestitrix (Pty) Ltd (Hestitrix) in respect of Block G Building (DTI Campus)

The Commission has approved without conditions the intermediate merger whereby Rainprop intends to acquire DTI Campus from Hestitrix.

Rainprop is a concessionaire company responsible for the management of the DTI Campus. This includes property management, asset management and support in sourcing new space requirement. The DTI Campus is a Grade A office property.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the provision of rentable space in Grade A and B office property. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between AGRI Equipment (Pty) Ltd (AFGRI Equipment) and Agrico (Pty) Ltd (Agrico)

The Commission has recommended to the Competition Tribunal (Tribunal) that the large merger whereby AFGRI Equipment intends to acquire the agricultural equipment business (the Target Business) of Agrico be approved without conditions.

AFGRI Equipment is a John Deere dealership and its main business is to sell John Deere branded agricultural equipment and accessories such as tractors, combine harvesters and balers. The Target Business is a retail distributor of John Deere products and operates agricultural machinery dealerships that sell products such as tractors, combine harvester, sprayers, balers and harrow disks.

The Commission found that the proposed transaction is unlikely to substantially lessen or prevent competition in the market for the retail distribution of agricultural equipment and

the provision of after-sale services. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between Cape Gate (Pty) Ltd (Cape Gate) and Cape Gate Fence and Wire Works (Pty) Ltd (CGFWW)

The Commission has approved without conditions the intermediate merger whereby Cape Gate intends to acquire CGFWW.

Cape Gate is an integrated steel and wire manufacturer, producing a variety of steel, wire and wire products. It supplies materials to various business sectors including construction, mining, engineering and agriculture. CGFWW manufactures a variety of wire products including construction welded mesh and fencing products.

The Commission found that the proposed transaction is unlikely to result in a substantial lessening or prevention of competition. In addition, the proposed transaction does not raise any other public interest concerns.

Proposed merger between Fruit and Veg City (Pty) Ltd (FVC) and The butchery businesses owned by various Glen Aire Close Corporations (Glen Aire Butchery Businesses)

The Commission has recommended to the Tribunal that the large merger whereby FVC intends to acquire Glen Aire Butchery Businesses be approved without conditions.

FVC is engaged in the wholesale, distribution and retail of fresh produce, groceries, beverages and other food-related and ancillary products to end-customers. Glen Aire Butchery Businesses are involved in the sale of meat and chicken products to retail customers.

The Commission considered the activities of the merging parties and found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market. Furthermore, the proposed transaction does not raise any public interest concerns.

Proposed merger Mendo Properties (Pty) Ltd (Mendo) and Vukile Property Fund Ltd (Vukile) in respect of the enterprises conducted on Bloemfontein Fedsure House, Pretoria De Bruyn Park, Pretoria Koedoe Arcade, Pretoria Navarre and Pretoria Arcadia Suncardia (Target Properties)

The Commission has recommended to the Tribunal that the large merger whereby Mendo intends to acquire the Target Properties from Vukile be approved without conditions.

Mendo is involved in the development and leasing of commercial and industrial investment properties. The Target Properties comprise of office properties and retail properties that are located in the Pretoria CBD and one office property that is located in the Bloemfontein CBD.

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

Proposed merger Investment Solutions Holdings Ltd (ISH) and Caveo Fund Solutions (Pty) Ltd (Caveo Solutions)

The Commission has recommended to the Tribunal that the large merger whereby ISH intends to acquire Caveo Solutions be approved without conditions.

ISH is active in asset management, insurance and financial planning. Caveo Solutions is a registered financial services provider.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the market for the provision of asset management services in South Africa. Furthermore, 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 cases:

- a) Greenfeed Growing Systems (Pty) Ltd v Voermol Feeds (A division of Tongaat Hullet), Landbouweekblad owned by Media 24; Farmers Weekly owned by Caxton & CTP Publishers - *The Commission found that the conduct complained of does not contravene the Competition Act.***

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For more information:

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