



**competition commission**  
south africa

## **Statement on the decisions of the Competition Commission**

Date: 08 September 2016

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

**Proposed merger between Business Venture Investments No 1953 (Pty) Ltd (InServe), Uni-Span Holdings (Pty) Ltd (Uni-Span), Concord Cranes (Pty) Ltd (Concord), Uvundlu Investments (Pty) Ltd (Uvundlu) and Prowalco (Pty) Ltd (Prowalco) (Target Firms)**

The Competition Commission (Commission) has recommended to the Competition Tribunal (Tribunal) that the large merger whereby InServe intends to acquire the Target Firms be approved without conditions. The proposed transaction is a consolidation of the Target Firms into one entity which will be controlled by Inserve.

Inserve is a newly formed company and is part of a group that has a diversified investment portfolio with interest in, among others, agriculture, mining, and chemical industries. The Target Firms are active in the supply of mobile cranes (Concord Cranes), the provision of industrial equipment (uvundlu), the manufacture of fuel dispensing equipment (Prowalco), and the manufacture of steel support systems (Uni-Span).

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

**Proposed merger between Afric Oil (Pty) Ltd (Afric Oil), Part of the business of Big Red Investments (Pty) Ltd (Big Red), some of the assets, licenses and consents belonging to Turquoise Moon (Pty) Ltd (Turquoise Moon) and some of the assets belonging to Redlex (Pty) Ltd (Redlex) (Target Firms)**

The Commission has recommended to the Tribunal that the large merger whereby Afric Oil intends to acquire the Target Firms be approved without conditions.

Afric Oil is involved in the marketing and distribution of petrol, diesel, illuminating paraffin, jet fuel and lubricants. The wholesale distribution business of Big Red involves the bulk distribution of petroleum products such as petrol, diesel and Illuminating paraffin. The Immovable Properties and licences of Turquoise Moon consist of two immovable properties and all statutory licenses and consents required for the storage of fuel on the Turquoise Moon properties. These are currently rented by the Wholesale Business of Big Red to store its fuel. The Vehicles owned by Redlex comprise of a fleet of trucks.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the wholesale of petroleum products (diesel, petrol and illuminating paraffin) as the merged entity's market share remains low post-merger. In addition, the proposed transaction does not raise any public interest concerns.

**Proposed merger between NTT Motor Investments (Pty) Ltd (NTT) and Tsana Motor (Pty) Ltd t/a Simpson Motors (Simpson Motors)**

The Commission has approved without conditions the intermediate merger whereby NTT intends to acquire Simpson Motors.

The merging parties own and operate motor vehicle dealerships which sell new, pre-owned and demo vehicles.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the sale of new passenger and light commercial vehicles as there are alternative players in both markets. In addition, the proposed transaction does not raise any public interest concerns.

**Proposed merger between Vele Petroport Holdings SA (Pty) Ltd (Vele) and Pembani Oil (RF) Pty) Ltd**

The Commission has approved, without conditions, the intermediate merger whereby Vele intends to acquire Pembani Oil.

Vele is an investment holding company and does not have any activities. The Target Group is involved in the marketing and distribution of petrol, diesel, illuminating paraffin, jet fuel and lubricants

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the market for the wholesale of petroleum products as the market share of the merging parties remains low post-merger. Further, the proposed transaction does not raise any public interest concerns.

**Proposed merger between Revlon Inc (Revlon) and Elizabeth Arden Inc (EA)**

The Commission has approved, without conditions, the intermediate merger whereby Revlon intends to acquire EA.

Revlon manufactures mass fragrance, hair care, colour cosmetics, deodorant, skincare and men's grooming products in South Africa. EA offers various beauty products in South Africa which include skincare products, colour cosmetic products and fragrances (branded, celebrity, designer and heritage fragrances).

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition as the merged entity will continue to face competition in the affected markets post-merger. Further, the proposed transaction does not raise any other public interest concerns.

**Proposed merger between CMOC Ltd (CMOC) and Tenke Fungurume Mining S.A. (TFM)**

The Commission has approved, without conditions, the intermediate merger whereby CMOC intends to acquire TFM.

CMOC is active in the mining, processing and marketing of mineral products. TFM mines and produces copper cathode and cobalt hydroxide.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition because there is no overlap between the activities of the merging parties. In addition, the proposed transaction does not raise any public interest concerns.

**Proposed merger between Heriot Properties (Pty) Ltd (Heriot Properties), Absa Bank Ltd (Absa), in respect of the remaining 50% of the issued share capital in Tembisa Mall (Pty) Ltd (Tembisa Mall)**

The Commission has approved, without conditions, the intermediate merger whereby Heriot Properties intends to acquire Tembisa Mall.

Heriot Properties owns a diversified property portfolio which includes office, industrial and retail spaces located throughout South Africa. Tembisa Mall controls the property letting enterprise known as Birch Acres Mall.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market, as there is no overlap between the activities of the merging parties. In addition, the proposed transaction does not raise any public interest concerns.

1. **Non Referrals – The Commission has taken a decision to non-refer (i.e. not to prosecute) the following case**
  - a) **Meshegan Naidoo Silver Solutions 2088 vs. Avnet South Africa – *The Commission found that the conduct complained of does not contravene the Competition Act.***
  - b) **Peregrine Samuel Smit and Booyesen and Company Inc. vs. KwaZulu-Natal Law Society, Singh Gharbaharan Attorneys and Parmasar Singh – *The Commission found that the conduct complained of does not contravene the Competition Act.***

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**For more information:**

Itumeleng Lesofe, Spokesperson

012 394 3287/ 073 805 7733/ [ltumelengL@compcom.co.za](mailto:ltumelengL@compcom.co.za)