



## Statement on the decisions of the Competition Commission

Date: 14 April 2016

### 1. Key decisions on Mergers and Acquisitions

#### 1.1 Mergers approved without conditions

##### **Proposed merger between Oberthur Technologies S.A. (Oberthur S.A.) and Xantium Integrated Solutions (Pty) Ltd (Xantium)**

The Competition Commission (Commission) has approved without conditions the intermediate merger whereby Oberthur S.A intends to acquire Xantium. Post-merger, Oberthur S.A will control Xantium

Oberthur S.A through its South African subsidiary is a provider of embedded security software products and associated services and solutions. Xantium distributes all forms of plastic cards including loyalty and banking cards. In addition, Xantium offers card personalisation services through its personalisation bureau.

The Commission found that the merger is unlikely to substantially prevent or lessen competition in the markets for the distribution of payment cards, and the provision of personalization services for payment cards. With respect to the market for the distribution of payment cards, the Commission found that the merged entity will continue to face competition from other market participants.

With respect to the market for the provision of personalization services for payment cards, the Commission found that the customers (i.e. banks) will continue to have the ability to constrain the merged entity from engaging in anti-competitive conduct. Further, some of the banks offer in-house personalization services and this serves as a further constraint.

##### **Proposed merger between Acorn Agri Proprietary Limited (Acorn Agri) and Conafex Cape Holdings Limited (Conafex Cape) and Grassroots Group Holdings (Pty) Ltd (Grassroots)**

The Commission has approved without conditions the intermediate merger whereby Acorn Agri intends to acquire Conafex Cape. The effect of the proposed

transaction will also result in Acorn Agri gaining control of Grassroots as Acorn Agri's current shareholding in Grassroots would increase.

Acorn Agri is an investment holding company that focuses on investments in unlisted companies operating in the food and agricultural sectors in Southern Africa. Conafex is an investment holding company. Grassroots is active in the market for the manufacture of dried fruit and related products.

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

**Proposed merger between Supertech Pinetown (Pty) Ltd (Supertech Pinetown) and McCarthy in respect of its BMW Motor Dealership t/a Forsdicks Pinetown (BMW Motor)**

The Commission has approved without conditions the intermediate merger whereby Supertech Pinetown intends to acquire BMW Motor. Post-merger, Supertech Pinetown will own BMW Motor.

Supertech Pinetown is a special purpose vehicle incorporated for purposes of the proposed merger. BMW Motor operates as a dealership including vehicle service workshop and a BMW repair centre in Pinetown, Durban.

The Commission found that the proposed merger is unlikely to have a significant impact on competition. Further, the proposed merger does not raise public interest concerns.

**Proposed merger between Hudaco Trading Proprietary Limited (Hudaco Trading) and Miro Distribution (Pty) Ltd (Miro Distribution)**

The Commission has approved without conditions the intermediate merger whereby Hudaco intends to acquire the trading assets and trading liabilities of Miro Distribution (Target Business).

Hudaco specialises in the importation and distribution of high-quality branded automotive, industrial and electrical consumable products, mainly in the southern African region. The Target Business is a distributor of wireless, networking, VoIP and IP Video products.

The Commission is of the view that the proposed merger is unlikely to substantially prevent or lessen competition as there are a number of firms that provide products and services similar to those offered by the merging parties. The Commission also found that the proposed merger raises no public interest concerns.

**Proposed merger between enX Group Limited (enX) and West African International Proprietary Limited (WAI)**

The Commission has approved without conditions the intermediate merger whereby enX intends to acquire WAI.

enX provides industrial energy equipment, consumables and support services to a wide range of sectors in South Africa and sub-Saharan Africa. WAI, through its subsidiaries, is a distributor of CAT branded lubricants on behalf of ExxonMobil to CAT dealerships in sub-Saharan Africa. WAI is also a reseller and distributor of polymer, rubber, fillers and specialised chemicals.

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

### **Propose merger between Galaxy Investments B.V (Galaxy) and Riversdale Holdings (Pty) Ltd (RHL)**

The Commission has approved without conditions, the intermediate merger whereby Galaxy intends to acquire RHL. Post-merger, Galaxy will control RHL.

RHL is a holding company of Zululand Anthracite Colliery (Pty) Ltd (ZAC). ZAC is a coal mining company and operates an underground anthracite mine. In South Africa, Galaxy is involved in the prospecting, mining and processing of thermal coal in the Mpumalanga and Gauteng provinces.

The Commission considered the activities of the merging parties and found that there is no overlap between the activities of the two. This transaction is therefore unlikely to substantially prevent or lessen competition. Further, the proposed merger does not raise public interest issues.

### **Proposed merger between Khulemani Masingita Holdings (Pty) Ltd (Khulemani Masingita) and Redefine Properties Limited (Redefine)**

The Commission has approved without conditions the intermediate merger whereby the Khulemani Masingita intends to acquire Redefine in terms of the property letting enterprise known as Makhado Crossing Retail Centre (Makhado Crossing). Post-merger, Khulemani Masingita will control Makhado Crossing.

Khulemani Masingita specialises in property development and property investment, specifically retail, residential and office property. Makhado Crossing is a community retail centre located in Louis Trichardt in the Limpopo Province.

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

### **Proposed merger between Network International LLC (NI) and Emerging Markets Payments Holding Limited (EMP)**

The Commission has approved without conditions the intermediate merger whereby NI intends to acquire EMP.

EMP provides services in relation to the market for consumer payments, which includes all mechanisms by which consumers pay for their consumption, including cash, cheques, point of sale terminals, electronic transfers and e-commerce. In South Africa, EMP operates through its subsidiary (EMP SA) and it provides payment processing services to retailers and consumer finance companies. NI is a provider of payment solutions in the Middle East and Africa.

The Commission found the proposed merger is unlikely to substantially prevent or lessen competition in any market in South Africa. Further, the proposed merger raises no public interest concerns.

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

- a) **South African Grooms' Associations vs. KZN MEC: Finance – Mrs Belinda Scott** - *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- b) **Amavel Moreira vs. Kawasaki South Africa (Mr.Chris Speight), Kawasaki Fourways (Mr Riaan Fourie) and Amid (Arnold Oliver) –** *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- c) **Oumie Selina Mantsali Mogari vs. Absa Bank –***The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*
- d) **Morris Material Handling SA (Pty) Ltd vs. Konecranes (Pty) Ltd and Konecranes Plc** – *The Commission found that the conduct complained of does not amount to a contravention of the Competition Act.*

Ends

**For more information:**

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