



competition commission
south africa

Statement on the decisions of the Competition Commission

Date: 21 April 2016

1. Key decisions on Mergers and Acquisitions

1.1 Mergers approved with conditions

Proposed merger between Mpact Limited (Mpact) and Remade Holdings (Pty) Ltd (Remade)

The Competition Commission (Commission) has recommended to the Competition Tribunal that the large merger whereby Mpact intends to acquire Remade and the Property Companies be approved with conditions. The Property Companies include James Bright Properties (Pty) Ltd; Remade Properties (Pty) Ltd; Hentiq 3267 (Pty) Ltd; Stedison Street Properties (Pty) Ltd; Bertha 12 Investments (Pty) Ltd; and Samden Investments (Pty) Ltd.

Mpact is involved in the collection and purchase of recyclable paper, the production of a range of intermediate paper products such as cartonboard and containerboard, and the production of printed and unprinted converted corrugated and other paper products. Mpact also produces plastic packaging products such as bottles, jars and plastic containers. Remade is largest independent trader of recyclable material and it buys and sells various grades of recyclable material including paper, plastic and glass.

The Commission found that this transaction is likely to significantly harm competition in the manufacture and supply of containerboard and recyclable plastic. In this regard, the Commission found that the merged entity will have the ability and incentive to foreclose its downstream competitors.

In order to address this concern, the Commission has recommended that the merger be approved on condition that the merged entity continues to supply competitors with recyclable paper and recyclable plastic.

1.2 Mergers approved without conditions

Proposed merger between Hatfield Holdings Proprietary Limited (Hatfield Holdings) and Lindsay Saker Volkswagen Rivonia (LSVR)

The Commission has approved without conditions the intermediate merger whereby Hatfield Holdings intends to acquire part of the business of LSVR. Post-merger, Hatfield Holdings will control certain parts of the business of LSVR.

Hatfield Holdings owns and operates seven Volkswagen (VW), MAN and Audi branded dealerships. LSVR is a VW dealership which sells new and used passenger vehicles and light commercial vehicles in Rivonia, Johannesburg.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the market for the sale of new passenger and commercial vehicles in Johannesburg or in the broader Gauteng market. Also, the Commission found that there are no public interest issues arising from the proposed merger.

Proposed merger between Cape Peninsula Organisation for the Aged (CPOA) and four retirement villages: (Thornton Place), (Berghof), (The Rathfelder) and (Trianon)

The Commission has approved without conditions the intermediate merger whereby CPOA intends to acquire the four retirement villages from Communicare NPC (Communicare).

CPOA is a non-profit company that provides support services to retirees and families who seek workable solutions for aging family members. Communicare is a non-profit company that has sole control over the retirement villages. The retirement villages offer life rights accommodation to retirees.

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

Proposed merger between Cullinan Hotel (Pty) Ltd (Cullinan) and Liberty Holdings Ltd (Liberty) in respect to Garden Court Umhlanga Hotel (Garden Court), and StayEasy Pietermaritzburg Hotel (StayEasy)

The Commission has approved without conditions the intermediate merger whereby Cullinan Hotel intends to acquire the two hotels from Liberty.

Cullinan hotel is involved in a diverse group of investments that include hotel, leisure; interactive gaming; media, broadcasting; transport; mining; clothing and properties. The Garden Court and the StayEasy hotel are owned by Liberty. Garden Court Umhlanga Hotel is a three star hotel with 204 rooms. StayEasy is a two star hotel with 127 rooms.

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

Proposed merger between Motseng Property Fund (Pty) Ltd (Motseng) and Vukile Property Fund (Vukile) in respect to Midrand Uluzwi Building (Midrand Ulwazi)

The Commission has approved without conditions the intermediate merger whereby Motseng intends to acquire the Midrand Ulwazi from Vukile.

Motseng is a newly formed property firm that does not provide any products or services. Midrand Ulwazi is a mixed development office and warehouse property

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market, and 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) **Mehluli Sibanda vs First National Bank** – *The Commission found that the conduct complained of does not contravene the Competition Act.*
- b) **Milana Giles (Vec Power) vs South African Gas Association, South African Qualification and Certification Committee and Department of Labour**– *The Commission found that the conduct complained of does not contravene the Competition Act.*

Ends

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