



competition commission
south africa

Statement on the decisions of the Competition Commission

Date: 26 May 2016

1. Key decisions on Mergers and Acquisitions

1.1 Mergers approved with conditions

Proposed merger between Africa Rainbow Capital (Pty) Ltd (ARC) and ooba (Pty) Ltd (ooba)

The Commission has recommended to the Tribunal that the large merger whereby ARC intends to acquire Ooba be approved with conditions.

ooba provides financial services that include the provision of building, mortgage protection insurance as well as personal line cover in respect of household items and vehicles. It also provides mortgage origination services. ARC is a diversified financial services investment company. It controls a number of firms, which include Indwe Risk Services (Pty) Ltd (IRS). IRS is an insurance broker that provides intermediary services to registered and approved insurers that offer insurance solutions for personal lines, business insurance and risk consulting.

The Commission found that the proposed transaction is likely to create a platform that may facilitate coordinated conduct in the form of information sharing in the provision of short-term insurance. It is for this reason that the Commission has recommended to the Tribunal that the proposed merger be approved with conditions that sever any ties that may facilitate information sharing between the merging parties.

1.2 Mergers approved without conditions

Proposed merger between Mr. Elias Franco Dos Santos Alves (Frank), Mrs Silvia Teixeira (Silvia), Mr. Antonio Paiva Teixeira (Tony) and Glen Aire Close Corporation, Texland Meat (Pty) Ltd (Texland), Glen Aire Property Division Close Corporation (Glen Aire Group), and Maverick Trading (Maverick Trading)

The Commission has approved without conditions the intermediate merger whereby Silvia and Tony intend to acquire sole control of 18 butchereries owned by the Glen Aire

Group. In addition, Frank will control Texland, Glen Aire Group and the standalone retail butchery, Maverick Trading.

Frank, Tony and Silvia are involved in the wholesale and retail of various meat and chicken products through the butcheries. Glen Aire Group owns the land and buildings on which Texland operates its business. Maverick Trading owns a retail butchery under the name of “Mama She’s”, which sells meat and chicken products to walk-in customers.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the wholesale and retail of meat and chicken products in South Africa. Further, the proposed transaction does not raise any significant public interest concerns.

Proposed merger between Balwin (Pty) Ltd (Balwin) and the Development Rights currently held by Portimix (Pty) Ltd (Portimix) in respect of the three vacant properties in Waterfall residential district

The Commission has approved without conditions the intermediate merger whereby Balwin intends to acquire the Development Rights currently held by Portimix in respect of three vacant properties in Waterfall residential district.

Balwin is a listed property company which specialises in the development of secure residential estates. It develops, builds, markets and sells fully equipped sectional-title residential properties targeted to high-growth metropolitan areas. The Development Rights are the rights to design, construct and market residential estates that are currently held by Portimix, in respect of three vacant properties in Waterfall residential district which will be developed into secured estate complexes.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the market for the provision of residential estates in the Northern Suburbs of Johannesburg. In addition, the proposed merger does not raise any public interest concerns.

Proposed merger between Canon Inc. (Canon) and Toshiba Medical Systems Corporation (TMSC)

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

Canon sells a variety of consumer imaging products, office multifunctional products, professional imaging products, including medical equipment such as flat panel detectors and ophthalmic equipment. TMSC sells medical equipment in South Africa and globally, including digital diagnostic x-ray systems, specifically digital radiography systems, digital angiography systems and digital fluoroscopy systems, computed tomography imaging equipment used for diagnostic purposes, magnetic resonance imaging equipment and ultrasound scanning devices.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in any market in South Africa as there is no geographic overlap

between the activities of the merging parties. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between Jaguar Holding Company Luxembourg S.a.r.l (Jaguar) and Synexus Clinical Research Topco Ltd (Synexus)

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

Jaguar Holding Company is a holding company of Pharmaceutical Product Development (PPD). PPD is a global contract research organisation that provides drug development and lifecycle management services. Synexus is a site management organisation specialising in the identification, recruitment and retention of patients for clinical trials, at its own sites, on behalf of pharmaceutical companies, biotech companies and contract research organisation.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in the market for clinical trials and related services in South Africa, as there are alternative players in this market. Furthermore, the proposed transaction does not raise any public interest concerns.

Proposed merger between EOH Intelligent Infrastructure (Pty) Ltd (EOH Infrastructure) and JOAT Consulting (Pty) Ltd (JOAT Consulting), JOAT Sales and Service GP (Pty) Ltd (JOAT Sales), JOAT Sales and Service EC (Pty) Ltd (JOAT EC) and JOAT Sales and Service (Pty) Ltd (JOAT GP)

The Commission has recommended to the Tribunal that the large merger whereby EOH Infrastructure intends to acquire JOAT Consulting, JOAT Sales, JOAT EC and JOAT GP be approved without conditions.

EOH Infrastructure offers engineering consulting design services to the water industry, which include the design of water distribution, sewer reticulation systems, roads and drainage planning and water quality planning and monitoring. JOAT Consulting, JOAT Sales, JOAT EC and JOAT GP predominantly supply measurement devices, valves, instrumentation and control technology products to the public and private sectors.

The Commission found that the proposed merger is unlikely to substantially prevent or lessen competition. In addition, the proposed merger does not give rise to any public interest concerns and will not have a negative effect on employment.

Proposed merger between KKR & Co.L.P (KKR) and Airbus Group SE's Electronics Defence Division (Airbus Group)

The Commission has approved without conditions the intermediate merger whereby KKR intends to acquire Airbus Group.

KKR is a global investment firm that offers a broad range of alternative asset funds and other investment products to investors and provides capital market solutions for the firm, its portfolio companies and other clients. Airbus Group is active in sensor systems,

including military radar, military communications, electronic warfare and optronics, and associated product support.

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 merging parties. In addition, the proposed transaction does not raise any public interest concerns.

Proposed merger between Lift Hauliers and Ghunaq Investments (Pty) Ltd (New Holdco)

The Commission has approved without conditions the intermediate merger whereby Lift Hauliers intends to acquire New Holdco.

Lift Hauliers is a logistics group focusing on road transportation and logistics services to customers in Mozambique, Zambia, Zimbabwe, Malawi and the DRC. New Holdco is a road transportation and logistics supplier which operates on routes between South Africa, Zimbabwe, Zambia and DRC.

The Commission found that the proposed transaction is unlikely to substantially prevent or lessen competition in provision of transport and logistics services as there is no geographic overlap between the activities of the merging parties. In addition, 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) Agriweb (Pty) Ltd Mooinooi truck wash vs Samancor Chrome Holdings (Pty) Ltd –**
The Commission found that the conduct complained of does not contravene the Competition Act.
- b) Undie Co (Pty) Ltd v The Pink Loerie Mardi Gras -** *The Commission found that the conduct complained of does not contravene the Competition Act.*
- c) Kgahiiso Nchabeleng v Phateng Secondary School -** This complaint has been resolved through advocacy.

Ends

For more information:

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