

Media Statement
For immediate release
2 March 2018

LATEST DECISIONS BY THE COMPETITION COMMISSION

1. Key decisions on mergers and acquisitions

1.1 Lapiner Investments (Pty) Ltd v African Hide Trading (Pty) Ltd

The Commission has approved the proposed merger, without conditions, whereby Lapiner Investments (Pty) Ltd (Lapiner Investments) intends to acquire African Hide Trading (Pty) Ltd (AHT).

Lapiner Investments is a newly formed entity and currently does not conduct any business activities. Its controlling entity is involved in the hides and skins tanning industry through its other subsidiary CPC. CPC's operations involve purchasing cattle hides and sheep skins from across South Africa and surrounding countries. CPC exports limited quantities of its procured hides.

AHT is a certified tannery that solely provides contract-tanning services. These services involve AHT being supplied with hides, skins and chemicals to process to customers' requirements and returning the processed hides and skins in exchange for a processing fee. AHT currently has one customer namely CPC.

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

1.2 Datacentrix Holdings Ltd v DG Store (SA) (Pty) Ltd

The Commission has recommended to the Tribunal that the proposed merger be approved, without conditions, whereby Datacentrix Holdings Limited (Datacentrix) intends to acquire DG Store (SA) (Pty) Ltd (DG Store).

Datacentrix is a wholly-owned subsidiary of DCT Holdings (Pty) Ltd (DCT). DCT's principal activity is that of an Information Communication Technology (ICT) investment holding company. Its subsidiaries, comprise DCT's ICT Services and Solutions Cluster. This cluster offers ICT implementation solutions, IT consulting, project management, system integration, IT security, internet, data and voice services, outsourcing as well as complimentary products and services categories such as fire detection and prevention, audio visual technology, building management and access control and solar solutions.

DG Store operates as an ICT systems integrator with a focus on the provision of infrastructure and business solutions in respect of its clients' end user computing and data centre requirements. DG Store specialises in supplying a variety of solutions, including procurement and consulting services.

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

1.3 SGB-Smit GmbH v Powertech Transformers (Pty) Ltd

The Commission has approved the proposed merger, without conditions, whereby SGB-Smit GmbH (Smit) intends to acquire PowerTech Transformers (Pty) Ltd (PTT).

Smit, a private German company, is a wholly owned subsidiary of SGB-Smit Beteiligungs GmbH (SGB-Smit). Smit will be acquiring PTT as part of a joint venture with its BEE partner, Power Matla (Pty) Ltd (Power Matla). Smit, Power Matla and companies that control Smit are the acquiring group. The acquiring group manufactures power and distribution transformers and supplies transformers to power plants, utility companies, grid operators, wind turbine manufacturers and other industrial clients. Locally, it has limited activities involving the supply of power transformers.

PTT is controlled by PPIP which is ultimately controlled by Allied Electronics Corporation Limited (Altron). Altron is a public company listed on the JSE. PTT is active in the power transmission industry and designs, manufactures, tests and supplies a large range of transformers, from generator step-up to transmission and distribution transformers. PTT has also recently entered into the renewable power market.

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

1.4 GWK Sales (Pty) Ltd v Kalahari Pecans (Pty) Ltd

The Commission has approved the proposed merger, without conditions, whereby GWK Sales (Pty) Ltd (GWK Sales) intends to acquire Kalahari Pecans (Pty) Ltd (Kalahari Pecans).

GWK Sales is a wholly-owned subsidiary of Griekwaland Wes Korporatief Ltd (GWKL). GWKL's shares are held by some 4100 shareholders, who are farmers, thus no single shareholder controls GWKL. GWKL provides storage, marketing and processing of agricultural products and financial services in the agriculture sector. GWK Pecans facilitates exportation of pecan nuts.

Kalahari Pecans is a manufacturer and processor of pecan nuts in the Northern Cape. Kalahari Pecans is an established buyer, processor, packer and exporter of pecan nuts. Kalahari Pecans has also been involved in the development of pecan processing and exporting since it was established in 2001.

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

1.5 Transpaco Ltd v Future Packaging and Machinery (Pty) Ltd, Future Packaging and Machinery Cape (Pty) Ltd and Future Packaging and Machinery (Kwa-Zulu Natal) (Pty) Ltd

The Commission has approved the proposed merger, without conditions, whereby Transpaco Ltd (Transpaco) intends to acquire Future Packaging and Machinery (Pty) Ltd (FPM), Future Packaging and Machinery (Cape) (Pty) Ltd (FPM Cape) and Future Packaging and Machinery (Kwa-Zulu Natal) (Pty) Ltd (FPM KZN) (the target group).

Transpaco is a manufacturer, recycler and distributor of paper and plastic packaging products. The company services many sectors including retail, general packaging, industrial, transport, agriculture, cosmetics, food, mining, pharmaceutical and veterinary.

The target group is in the business of selling industrial packaging and machinery, general packaging, office supplies, stationery and other related activities.

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

1.6 Main Street 1518 v Phembani Group (Pty) Ltd

The Commission has recommended to the Tribunal that the proposed merger be approved, without conditions, whereby Main Street 1518 (Pty) Ltd (BFM) intends to acquire control of Phembani Group (Pty) Ltd (Phembani).

BFM is a newly established private company and currently does not have any business activities.

Phembani is a locally based industrial holding company with a focus on the making of investments in, and the operating of businesses and interests which fall within the oil, gas, minerals, mineral resources (diamonds, platinum and coal), metals and infrastructure related (including in respect of and / or in connection with construction, construction materials and/ or the like) sectors in Africa.

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

1.7 Industrial Development Corporation South Africa v Le-Sel Research (RF) (Pty) Ltd

The Commission has recommended to the Tribunal that the proposed merger be approved, without conditions. The transaction is as a result of a prior implemented acquisition of shares by the Industrial Development Corporation (IDC) in Le-Sel Research (RF) (Pty) Ltd (Le-Sel) which the merging parties implemented in 2015.

The IDC and Le-Sel failed to notify the merger as per requirements set out in the Competition Act. The Commission understands that the proposed transaction had been implemented in August 2015.

The IDC is wholly-owned by controlled by the South African Government. Its role is to support and enhance industrial capacity development in South Africa, as well as in the rest of Africa with a view to boost economic growth and industrial development.

Le-Sel is a multinational accredited, South African personal and home care contract manufacturer. Le-Sel manufactures a variety of products such as body sprays, toilet spray, air fresheners, cream and lotions, amongst others.

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

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

2.1 Anonymous V Sun World International LLC

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.2 Riedwaan Salie v City of Cape Town

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.3 Paris Loannou v Romans Pizza Head Office

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.4 Donovan Talbot v Cell C

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.5 Badhurs v Ian Knox Mayors Spar Tops Pietermaritzburg

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.6 Afana Christelle v Craig Irwin

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.7 Ronald Sigudu vs Universal Coal and Energy South Africa (Pty) Ltd

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.8 Mark Topass vs Sishen Iron Ore Company

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.9 Izinyoni Trading 241 (Pty) Ltd / Chemmagic v Allbro Industries (Pty) Ltd

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.10 William Moseta v TUHF

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.11 Book Circle Capital v Exclusive Books

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.12 Ayanda Ike Kandane V Audi South Africa

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.13 James Xulu v Jfs Technology; Dg Capital; Micb; Ics And Bce Consulting

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

2.14 Dr Lucia Anelich v Openserve, the wholesale division of Telkom SA SOC Limited and other unidentified ISPs

The Commission is of the view that the conduct complained of does not contravene the Competition Act.

[ENDS]

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