



competition commission
south africa

Weekly Media Statement
For Immediate Release
24 January 2020

LATEST DECISIONS BY THE COMPETITION COMMISSION

1.1 New Holdco, a new company formed for the purposes of this transaction which is yet to be incorporated (New Holdco)/ Interaction Market Services Holdings (Pty) Ltd (IMSH)

The Commission has unconditionally approved the proposed merger whereby New Holdco intends to acquire IMSH.

New Holdco is a newly formed firm with no business operations or activities.

IMSH acts as a procurement, sales and marketing agent to producers and/or sellers of fresh produce (i.e. fresh fruit and vegetables) grown domestically. IMSH also provides producers of fresh produce with various related services, such as marketing and brand-building, business intelligence and cold rooms.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.2 K2018393232 (Pty) Ltd (K2018)/ Tsiko Africa Group (Pty) Ltd (Tsiko)

The Commission has unconditionally approved the proposed merger whereby K2018 intends to acquire Tsiko.

K2018 is a special purpose vehicle that has been established for purposes of completion of this transaction and therefore, does not engage in any business operations, pre-merger.

Tsiko holds interests in a number of different sectors. Tsiko, through its subsidiaries or firms it holds interest in, provides security and fire detection products and services, logistics services, design and manufacturing of information, communications technology and software development, marketing, selling and installation of fibre optic networking equipment, and data analytics services.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.3 Hiworx (Pty) Ltd (Hiworx)/ Growthpoint Properties Ltd (Growthpoint) in respect of the shares and claims in GRT Bloekom Properties (Pty) Ltd (GRT)

The Commission has unconditionally approved the proposed merger whereby Hiworx intends to acquire Growthpoint in relation to the shares and claims in GRT.

Hiworx is a black-owned property development and management group, which focuses on retail, office and residential space. Hiworx owns a diverse property portfolio of retail malls anchored by national retailers in non-metropolitan areas and government tenanted office buildings in Gauteng Province and Mpumalanga Province.

GRT's sole asset is the target property letting enterprise known as Exxaro Corporate Centre, which is located at 1 Roger Dyason Road, Pretoria West and comprises of 37 724 m² of rentable Grade B office space with Exxaro Resources Ltd as the tenant.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.4 Sana Partners Fund 1 (Sana Partners Fund)/ Ares Holdings (Pty) Ltd (Ares)

The Commission has unconditionally approved the proposed merger whereby Sana Partners Fund intends to acquire Ares.

Sana Partners is a private equity investment manager, which manages a portfolio of unlisted companies. Sana Partners, through its portfolio of companies; procures, installs, and manages variable speed drives used to reduce energy consumption from pump and fan motors in large industrial applications.

Ares imports and distributes branded footwear, athletic footwear apparel and accessories throughout South Africa via retail outlets, wholesalers and an online store. Ares imports and distributes brands such as Crocs, Birkenstock and Under Armour. Ares also operates an in-house marketing agency which provides marketing services for Freeform, Bash and Apollo.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.5 Azelis UK Holdings Limited (Azelis)/ Orkila Holding SAL (the Target Dealership)

The Commission has unconditionally approved the proposed merger whereby Azelis intends to acquire Orkila.

Azelis is a global distributor of speciality chemicals and food ingredients representing both local and global manufacturers in different markets. Specifically, Azelis is involved in the distribution

of specialty chemical products used in the life science (personal care, pharma, food and health, animal nutrition, agriculture or horticulture specialty, homecare and industrial cleaning) and industrial chemicals industry (case, rubber and plastic additives, essential and fine chemicals).

Orkila is active in the distribution, sales and marketing of specialty chemicals in the Middle East and Africa. Orkila offers a one-step shop for chemicals used in different industries. Orkila operates in a wide range of market sectors including pharmaceuticals, food, paint and construction, animal nutrition, agrochemicals and fertilizers, home and personal care, plastics as well as textiles, paper, glass and water treatment.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.6 Astrim Holdings (Pty) Ltd (Astrim)/ Aviz Laboratories CC (Aviz)

The Commission has unconditionally approved the proposed merger whereby Astrim intends to acquire Aviz.

Astrim is a contract manufacturer of pharmaceutical and complementary alternative medicine (CAMS), which also includes vitamins and nutraceutical products. In simple terms, Astrim manufactures and packages products on behalf of established third party brands. The ingredients and packaging designs for these products are provided by brands to Astrim. Astrim also manufactures and distributes its own products, which includes (i) Sunscreen, (ii) Chafe cream and (iii) Supplements.

Aviz is a contract manufacturer of the following products of health supplements which includes brands such as Biogen and USN amongst others as well as immune boosters, multivitamins, energy boosters, cold and flu hydration (i.e. Berocca and Linctagon) and personal care products which include aqueous cream and Zambuk ointment and soaps.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.7 TFC Operations (Pty) Ltd (TFC)/ Megaphase Trading 274 CC and Witbank Fresh Produce Supplies CC

The Commission has unconditionally approved the proposed merger whereby TFC intends to acquire Megaphase Trading 274 CC and Witbank Fresh Produce Supplies CC (Target Firms).

TFC is ultimately controlled by Kaap Agri Limited (The Acquiring Group). The Acquiring Group is active in retailing of fuel to farmers and to the general public. The Acquiring Group also provides retail services mainly to customers operating in the agricultural sector.

The Target Firms operates fuel retail stations located in Emalahleni, Mpumalanga. The Target Firms supplies petrol and diesel products to the general public. The Target Firms also operate convenience stores which sell fast moving consumer goods.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise public interest concerns.

1.8 Spear REIT Ltd (Spear)/ The immovable property and rental enterprise known as “The Liberty Life Building” (Target Property)

The Commission has conditionally approved the proposed merger whereby Spear intends to acquire the Target Property. The Target Property is classified as a Grade A office property, which is located in Century City in Cape Town, Western Cape.

Spear is a diversified property ownership firm owning industrial properties, office properties, rentable retail properties, hospitality and residential properties. Spears properties are located in Gauteng and Western Cape.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction raises public interest concerns.

1.9 Burncrete, a division of Brandcorp (Pty) Ltd (Burncrete)/ Elephant Lifting Equipment (Pty) Ltd (Elephant Lifting)

The Commission has unconditionally approved the proposed merger whereby Brandcorp intends to acquire the Elephant Lifting.

Burncrete's core business is the supply of lifting and rigging accessories to the mining, agricultural, engineering and industrial sectors, via re-sellers, agents and distributors. Burncrete's products are sourced from factories around the world. Nu-Quip is a re-seller of Burncrete's products, which it sells to end-customers. The products supplied by Burncrete and Nu-Quip include (i) hoists & trolleys; (ii) chain products; (iii) steel wire ropes and associated products; (iv) rigging hardware; and (v) marine equipment. In addition to operating as a re-seller of lifting and rigging accessories, Nu-Quip offers repair, rigging and testing certification services in respect of certain lifting equipment to its clients.

Elephant Lifting is a reseller, supplier, designer and/or manufacturer of, inter alia, (i) lifting equipment and lifting systems, including cranes; (ii) lifting and rigging equipment accessories; and (iii) pulling and suspension equipment, including heavy duty towing straps. In addition to the products it supplies, Elephant Lifting also provides related services including statutory inspections, hoist/crane proof load testing, certification services and repair, lifting equipment surveys, operator training courses and safety seminars. Elephant Lifting has branches in Johannesburg, Pretoria, Cape Town and Durban.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.10 Brother Industrial SA (Pty) Ltd (Brother SA) / Lanxess CISA (Pty) Ltd (Lanxess CISA) and the chrome chemicals business of Lanxess (Pty) Ltd (Lanxess SA)

The Commission has unconditionally approved the proposed merger whereby Brother SA intends to acquire Lanxess CISA and the chrome chemicals business of Lanxess SA.

Brother SA was established for the purposes of the proposed transaction and does not have any activities. The Brother Group is engaged in the research, development, manufacture and sales of new fine chemical products, including vitamins and leather chemical products. The Brother Group manufactures vitamin K3 products; vitamin B products (B1, B3 and B5); and leather chemicals (chrome tanning salts) which are distributed in China. Brother Group does not have any manufacturing facilities in respect of the aforementioned products in South Africa.

Lanxess CISA specialises in the manufacture of chrome chemicals with production plants in Newcastle and Merebank. Lanxess manufactures sodium dichromate (SDC) which is used in the manufacture of chrome tanning salts, pigment, and other products. The plant also converts some of the SDC into chromic acid which is used in the metal finishing (electroplating) industry.

The CTS Business is a business unit of Lanxess SA. The CTS Business produces Chrome Tanning Salts (CTS). The CTS Business sources SDC from Lanxess CISA and converts it to CTS.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.11 Laurus Labs Ltd (Laurus)/ Phekolong Pharmaceuticals (Pty) Ltd (Phekolong)

The Commission has unconditionally approved the proposed merger whereby Laurus intends to acquire Phekolong.

Laurus is an Indian based research-driven pharmaceutical company. Laurus develops and manufactures generic Active Pharmaceutical Ingredients (APIs). Laurus also manufactures oral solid formulations (finished dose formats), provides contract research and manufacturing services for third party pharmaceutical manufacturers, and manufactures speciality ingredients for nutraceuticals, dietary supplements and cosmeceuticals. In South Africa, Laurus's activities are limited to the sale of APIs to Pharmicare.

Phekolong a wholly owned subsidiary of Pharmicare. Phekolong supplies ARV products.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.12 Gulumbi Defence Solutions (Pty) Ltd (Gulumbi)/ The business conducted by SA Ladder (Pty) Ltd (SA Ladder), being, inter alia, the manufacturing and distribution of ladders, trolleys, castors, wheels and ladder accessories (the SA Ladder Business)

The Commission has unconditionally approved the proposed merger whereby Gulumbi intends to acquire the business conducted by SA Ladder, which comprises of the manufacturing and distribution of ladders, trolleys, castors, wheels and ladder accessories, and which consists of the business assets and liabilities (the SA Ladder Business).

The SA Ladder Business is owned and operated by SA Ladder. The SA Ladder Business does not control any firm.

Gulumbi is a special purpose vehicle which form part of Vharanani Group of companies. Vharanani Group of companies are involved in the development of housing and infrastructure such as residential developments and the construction of facilities and buildings; the operating of roads and civil construction projects; facilities management services which engages in projects across the spectrum of residential developments, civil infrastructure and commercial facilities and buildings; and the provision of construction related claims services. The Vharanani Group of companies also owns residential property portfolio and provides community services and charity

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.13 Acrobat Holding Jersey Limited (Acrobat)/ Takeda Pharmaceuticals International AG (in respect only of certain of its assets) (Takeda)

The Commission has unconditionally approved the proposed merger whereby Acrobat intends to acquire the rights to promote, market and distribute and/or sell certain prescription and over the counter (OTC) pharmaceutical products (Target Business) of Takeda.

Acrobat is a global health care company that focuses on the discovery, development, manufacturing and supply of central nervous system, cardiology, gastroenterology, infectiology, oncology, pain and rheumatology, metabolism, respiratory system, urology and women's health products.

In South Africa, the Target Business supplies various pharmaceutical products.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.14 Agile Capital Four (Pty) Ltd (Agile)/ Avenge Technologies (Pty) Ltd and (Average) K2019302693 (South Africa) (Pty) Ltd (AVT2)

The Commission has recommended that the Competition Tribunal (Tribunal) approve the proposed transaction whereby Agile intends to acquire Avenge and AVT2 without conditions.

Agile is an investment holding companies that has shareholding in financial services; mining services; outdoor media services; adhesives; laboratory testing and services; equipment certification services; environmental cleaning and remediation; and catering and cleaning services.

Avenge is a specialist distributor of a products such as back-up batteries and fibre optic components for use in the communications industry and supplies overhead line equipment for use in the energy sector. The business also provides related consulting services to its customers. Avenge provides services and products to support contractors in the design and creation of power and telecommunications solutions.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.15 SKG Towers (Pty) Ltd (SKG)/ The Immovable Property and rental enterprise known as Portion 1 of Erf 2909 Pretoria Township (Target Property)

The Commission has recommended that the Tribunal unconditionally approve the proposed transaction whereby SKG intends to acquire from Somnipoint Proprietary Limited (Somnipoint”), a 100% undivided share in the immovable property and rental enterprise known as Portion 1 of Erf 2909, Pretoria Township situated at 310 Pretorius Street, Pretoria Central, Pretoria (Target Property).

SKG specialises in the development and leasing of commercial, industrial and retail investment properties and owns a portfolio of 207 properties. SKG owns A/B-grade office properties in the Pretoria CBD.

The Target Property is currently used for office space as well as ancillary retail space. The Target Property is being sold pursuant to a High Court order.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.16 Bidvest Services Holdings (Pty) Ltd (Bidvest Services)/ New Frontiers Tours (Pty) Ltd (NFT)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Bidvest Services intends to acquire NFT without conditions.

Bidvest is an international services, trading and distribution company. Bidvest offers a wide range of products and services. BidTravel provides travel management services to corporate businesses and leisure travellers as well as solutions in relation to the procurement of travel services. These travel services include amongst others, business e-procurement services; business travel management; online corporate travel services; leisure travel; inter-continental hotels reservation services; and cruise booking services. The services offered by BidTravel are focused on corporate travel and outbound leisure travel (travel by customers in South Africa to other countries). BidTravel does not offer any inbound travel services (travel by customers based in other countries outside of South Africa to South Africa). BidTravel manages and operates a number of travel-related businesses through which the above-mentioned travel services are offered to customers. BidTravel through its various businesses offers services directly to customers. It operates a business-to-customer model.

NFT is a destination management company offering inbound travel services. NFT offers its services to inbound leisure travellers to Southern Africa for holiday. It provides the full range of leisure travel services (which includes accommodation, transfers, tours, car rental and flights) in South Africa, Botswana, Zimbabwe, Zambia and Mozambique. The services of NFT are primarily offered to leisure travellers based in the United Kingdom (UK), North America and Europe.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.17 RCS Cards (Pty) Ltd (RCS)/ Edcon Limited (In respect only of certain cardholders book debt of Edcon Limited) (Edcon Book Debt)

The Commission has recommended that the Tribunal approve the proposed transaction whereby RCS intends to acquire the Edcon Book Debt, without conditions.

The RCS Group provides consumer finance services, primarily focusing on providing unsecured credit, including retail credit card facilities (RCS branded, co-branded and private label), and insurance products to the mass market in South Africa.

The Edcon Book Debt refers to all claims and entitlements from the use of an Edcon branded store card.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.18 RCS Cards (Pty) Ltd (RCS)/ Absa Bank Limited (in respect only of certain of the Edcon Limited cardholders book debt owned by Absa Bank Limited (Absa Book Debt))

The Commission has recommended that the Tribunal approve the proposed transaction whereby RCS intends to acquire the Absa Book Debt, without conditions.

The RCS Group provides consumer finance services, primarily focusing on providing unsecured credit, including retail credit card facilities (RCS branded, co-branded and private label), and insurance products to the mass market in South Africa.

The Absa Book Debt refers to all claims and entitlements from the use of an Edcon branded store card by an individual who has been issued with an Edcon store card.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.19 Barnes Group Holdings (Pty) Ltd (Barnes Holdings) / Barnes Reinforcing (Pty) Ltd (BRI)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Barnes Holdings intends to acquire BRI without conditions.

Barnes Group is active in, amongst others, the supply of wire; manufacturing of steel tubes and pipes; manufacturing of black galvanized wire; production and distribution of fencing posts, stays and gates; and the distribution of diamond mesh.

BRI manufactures and supplies reinforcing steel and mesh products; it cuts, bends and installs reinforcing steel products and supplies reinforcing and wire products.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.20 Ferro South Africa (Pty) Ltd (Ferro)/ Performance Colour Systems(PCS), a division of Speed Bird Investment Holdings (Pty) Ltd (Speed Bird)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby Ferro intends to acquire PCS, a division of Speed Bird without conditions.

Ferro is a manufacturer and distributor of porcelain enamels, glaze frits, prepared glazes, composites, zircon opacifiers, masterbatches and VEDOC thermosetting powder coatings. Relevant to the proposed transaction is the manufacturing of and sale of black, white, filler and desiccant masterbatches.

PCS is a trading division of Speed Bird. PCS manufactures, imports and supplies colour masterbatches, pigment powder, pastes and liquid concentrates.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

[ENDS]

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