



competition commission
south africa

Weekly Media Statement

For Immediate Release

13 February 2020

LATEST DECISIONS BY THE COMPETITION COMMISSION

1.1 Marinvest S.r.l (Marinvest)/ Ignazio Messina & C. S.p.A and RORO Italia S.r.l. (IM)

The Commission has recommended that the Competition Tribunal (Tribunal) approve the proposed transaction whereby Marinvest intends to acquire IM with conditions.

Marinvest is a holding company and as such does not have any activities. Marinvest operates through the MSC Group, a global maritime transport company. Of relevance to the proposed transaction is the cargo maritime transport (container-liner services) activities of MSC.

In South Africa, IM's activities are limited to container-liner services and Roll-On Roll-Off (RO-RO) shipping services.

The Commission found that the proposed transaction is likely to result in unilateral effects as the merging parties have high market shares and are each other's closest competitors in the market for the provision of container liner shipping services to/from South Africa and East Africa.

The Commission also found that as a direct result of the proposed transaction, the countervailing power of customers on the East Africa route will be reduced as two of the main players will be part of the same group after the merger.

Notwithstanding the findings on unilateral effects, the Commission also notes the counterfactual that absent the proposed transaction, IM might stop operating.

In light of the above, the Commission approved the transaction subject to certain behavioural conditions which are meant to remedy the unilateral effects likely to arise from the merger. The conditions include a structural separation between the MSC and IM businesses in South Africa, such that the two businesses will continue to be run separately with independent strategic and marketing decisions in relation to South Africa.

1.2 Morgan Nissan Kimberley (Pty) Ltd (Morgan Nissan Kimberley)/ Motus Group Limited (Motus Nissan and Renault dealership)

The Commission has unconditionally approved the proposed merger whereby Morgan Nissan Kimberley intends to acquire Motus Nissan and Renault dealership.

Mr. Morgan, through the Morgan Group of Companies, operates motor vehicle dealerships located in the provinces of Gauteng (in Northcliff, and Randburg), Free State (in Bethlehem, and Welkom) and North West (in Vryburg).

The Motus Nissan and Renault Kimberley dealership operates in Kimberley (Northern Cape) and supplies new Nissan and Renault passenger vehicles and LCVs, as well as used vehicles (not limited to Nissan). The Motus Nissan and Renault Kimberley dealership also provides after-sale services of Nissan and Renault vehicles and sells after-sales parts and accessories for Nissan and Renault vehicles.

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 Enaex S.A. (Enaex)/ Sasol South Africa Limited (Sasol Explosives Business)

The Commission has unconditionally approved the proposed merger whereby Enaex intends to acquire Sasol Explosives Business.

Enaex commercialises, distributes and manufactures explosives and blasting agents. It provides logistics and technical advice in each of the processes to customers globally.

The Sasol Explosives Business is a producer and supplier of explosives and initiation systems operating across sub-Saharan Africa. The Sasol Explosives Business markets and distributes commercial explosives, a wide range of specialised blasting accessories, a diversified range of bulk explosives used in underground mines, opencast mines and quarries, as well as supplying value add services to Southern Africa's leading mining companies.

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 Kleoss Fund 1 en commandite Partnership (Kleoss)/ Bandag Southern Africa (Pty) Ltd (Bandag)

The Commission has unconditionally approved the proposed merger whereby Kleoss Fund 1 intends to acquire Bandag.

Kleoss (through its subsidiaries) has business presence in several sectors such as healthcare, retail, logistics, financial services and the telecommunications sectors.

Bandag is a Johannesburg-based manufacturer of tyre re-treading materials for commercial vehicles in Southern Africa. Bandag manufactures pre-cured tread rubber which is applied on tyre cases for re-treading purposes. Bandag also manufactures small quantities of other products required for operations of re-treading and repairing tyres, such as extruder gum and cement. Bandag sells its manufactured products to its network of franchisees, which use Bandag's rubber products to re-tread tyres and produce a finished product and then sell these products to customers.

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.

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

2.1 Jason McGill v Perfume Shop

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

2.2 Ian Walter Buchanan and Torga Optical (Pty) Ltd v Preferred Provider Negotiators (Pty) Ltd

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

2.3 Pola Ogies Rural Mining Forum v South 32 & Seriti Resources

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

2.4 Johannes Fortuin v The City of Cape Town

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

2.5 Vhahone Business and Project v Metal Badge

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

2.6 South African Express Airways SOC Limited (SAX) v South African Airlink (Pty) Ltd (Airlink)

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

2.7 National Medical Supplies v Mediclinic

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

[ENDS]

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