



competition commission
south africa

Weekly Media Statement

For Immediate Release

30 July 2020

The Competition Commission of South Africa (CCSA) held its ordinary weekly meeting on Tuesday 28 July 2020, to review and take decisions on matters brought before the Commission by members of the public and corporate applicants, in terms of the Competition Act (89 of 1998). These matters include but are not limited to complaints, mergers and acquisitions.

LATEST DECISIONS BY THE COMPETITION COMMISSION

1.1 Unilever PLC/ Unilever N.V

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby Unilever PLC intends to acquire Unilever N.V without conditions.

Unilever PLC is listed on the London Stock Exchange as well as the New York Stock Exchange and is not controlled by any firm. Unilever PLC controls various firms.

Unilever N.V. is listed on the Euronext Amsterdam Exchange as well as the New York Stock Exchange and is not controlled by any firm. Unilever N.V. controls various firms.

In South Africa, Unilever PLC and Unilever N.V. are the two parent companies of the Unilever Group, and they jointly control Unilever SA Holdings, which in turn controls Unilever SA. The Unilever Group therefore conducts its business activities through Unilever SA in South Africa. The Unilever Group has a presence across much of the globe and is involved in the manufacture and supply of a range of products including food, beverages, cleaning agents and personal care products. The group's business is organised in three divisions, namely food and refreshment, home care, as well as beauty and personal care, each of which has a clearly defined strategy and portfolio of brands.

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 Gayatri Paper Mills (Gauteng) (Pty) Ltd (Gayatri) and New Era Packaging BOPS (Pty) Ltd (New Era)/ certain productive assets of Neopak (Pty) Ltd (Neopak), which include certain immovable property and equipment situated at its Wadeville plant (Target Assets)

The Commission has unconditionally approved the proposed merger whereby Gayatri and New Era intends to acquire the Target Assets.

Gayatri and New Era are not controlled by any firm but share the same common shareholders. The shareholders of Gayatri and New Era hold shares in the same ratio in the following companies: (a) Golden Era Printers & Stationers Bops (Pty) Ltd, (b) New Era Labels Bops (Pty) Ltd, (c) Mogwele Waste (Pty) Ltd, (d) Unity Paper Sales (Pty) Ltd and (e) Gayatri Cans (Pty) Ltd. Gayatri, New Era and all firms controlled by the shareholders of the primary acquiring firms will be collectively referred to as the Golden Era Group.

The Golden Era Group specialises in a range of specialist products and services including the manufacturing of kraft paper and board, cartons, wet labels, laminate cartons, note stiks, paper bags, corrugated cases, self-adhesive labels, metal cans, vacuum-formed packaging as well as paper-based waste collection and recycling. The Golden Era Group owns varying interests in a number of businesses, most of which operate in the market for the manufacture and supply of packaging products. Gayatri is an upstream supplier and currently produces approximately 140,000 tons per annum of recycled and Kraft paper materials from recycled fibre. New Era has operations downstream as a manufacturer and distributor of corrugated packaging products, specifically finished boxes. As such, New Era is a vertically integrated manufacturer of corrugated board and finished boxes which it sells to end users. Its business operations are based in KwaZulu-Natal, North West, Western Cape, and Gauteng.

Neopak produces corrugated packaging solutions for the industrial sector and it was previously active in all levels of the value chain. It has two corrugate manufacturing plants in South Africa, namely Wadeville and Durban, both of which are no longer in operation, as well as a paper mill in Rosslyn, Pretoria and a supporting recycling facility in Amalgam, Johannesburg. The Target Assets that are the subject of the proposed transaction were used by Neopak in the manufacturing of corrugated board and the manufacturing of corrugated packaging to the industrial segment, in its Wadeville manufacturing plant.

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 TAU Investments Holdings Pte Limited (TIH)/ J.B. Chemicals and Pharmaceuticals Limited (Pty) Ltd (JBCPL)

The Commission has unconditionally approved the proposed merger whereby TIH intends to acquire JBCPL.

TIH is a company incorporated in accordance with the laws of Singapore. TIH is directly owned by Tau Holdco Pte Ltd (Tau Holdco), which is held by funds advised or managed by affiliates of KKR & Co. Inc (KKR), a company incorporated in accordance with the laws of United States of America. TIH has been established for the sole purpose of the proposed transaction and, as such, does not supply any products or render any services in or into South Africa. KKR is a global investment firm, which 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. KKR's affiliated private equity funds invest in companies in a variety of sectors.

JBCPL is a company incorporated in accordance with the laws of India. JBCPL is a public company listed on the National Stock Exchange of India and the Bombay Stock Exchange. JBCPL has two subsidiaries, namely, OOO Unique Pharmaceuticals Limited and Unique Pharmaceuticals Limited. JBCPL and all the firms that it controls shall be referred to as Target Group.

The activities of JBCPL in South Africa include, inter alia, the supply of fluorinated gases, software, systems engineering, security systems, entertainment, recruitment services, cosmetic ingredients, renewable energy, automotive components, audio equipment, apparel distribution, PET packaging and media services. The Target Group is engaged in the sale, marketing, import and export of pharmaceutical products and veterinary 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.

1.4 Canada Pension Plan Investment Board (CPPIB)/ Axel Springer SE (Axel Springer)

The Commission has unconditionally approved the proposed merger whereby CPPIB intends to acquire Axel Springer.

CPPIB is a professional investment management organisation that invests the funds transferred to it by the Canada Pension Plan Fund. CPPIB invests in public equities, private equities, real estate, infrastructure and fixed income instruments.

Axel Springer is a media company active in more than 40 countries. The company has diverse media brands such as BILD and WELT Group, Insider Inc., Politico.eu, as well as classified portals such as StepStone, Seloger, and Immowelt. Axel Springer generally divides its business into three segments that include news media, classifieds media and marketing media.

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.

Members of the public can now lodge their complaints by SMS @084 743 0000

[ENDS]

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