



competition commission
south africa

Weekly Media Statement

For Immediate Release

07 October 2020

The Competition Commission of South Africa (CCSA) held its ordinary weekly meeting on Tuesday 06 October 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, and mergers and acquisitions.

LATEST DECISIONS BY THE COMPETITION COMMISSION

1.1 Isuzu Motors Limited (Isuzu)/ UD Trucks Corporation (Japan) (UD Trucks)

The Commission has recommended that the Competition Tribunal (Tribunal) approve the proposed transaction whereby Isuzu intends to acquire UD Trucks without conditions.

Isuzu is a motor vehicle manufacturer which specialises in commercial vehicles and diesel engines. Isuzu operates in South Africa through its wholly-owned subsidiary, Isuzu Motors South Africa Proprietary Limited (“IMSaf”) and IMSaf’s two wholly owned subsidiaries: (i) KANU Commercial Body Construction Proprietary Limited (KANU); and (ii) Automotive Chassis Technologies Proprietary Limited (ACT).

IMSaf supplies commercial vehicles and buses in South Africa. IMSaf sells these commercial vehicles and buses to third party dealerships and local governments in South Africa and surrounding countries. KANU manufactures and installs modifications to the bodies of commercial vehicles, and ACT manufactures and installs modifications to the chassis of commercial vehicles for Isuzu dealerships.

UD Trucks is a Japanese company whose principal business is the manufacturing and supply of commercial vehicles, buses, bus chassis and special-purpose 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.

1.2 Grindrod Property Holdings Limited (Grindrod Property Holdings)/ SA Corporate Real Estate (SACREL) in relation to various rental enterprises belonging to respective wholly-owned subsidiaries of SACREL

The Commission has recommended that the Tribunal approve the proposed transaction whereby Grindrod Property Holdings intends to acquire various rental enterprises (Dune Lark Investments Proprietary Limited (Dune Lark), Blue Heron Proprietary Limited (Blue Heron), Grey Heron Investments Proprietary Limited (Grey Heron), Rock Kestrel Investments Proprietary Limited (Rock Kestrel) and Wood Ibis Investments Proprietary Limited (Wood Ibis)) from SACREL without conditions.

Grindrod operates through two divisions, namely Freight Services and Financial Services. In addition, Grindrod, through Grindrod Property Holdings is a property holding and property management company that holds and manages property solely for Grindrod Group companies. Grindrod Property Holdings does not lease or rent property to external parties. Relevant to the proposed transaction, Grindrod Property Holdings owns one industrial property that is situated at 5 Bluff Road in Durban, KwaZulu Natal Province (5 Bluff Road), which has a Gross Lettable Area (GLA) of 10, 715m² and is used primarily for container storage and warehousing by the Grindrod Group on behalf of its clients.

SACREL owns Dune Lark, Blue Heron, Grey Heron, Rock Kestrel and Wood Ibis. The rental enterprises are situated in (a) Lease area 15, 29 and 30 of Erf 10014 Durban, situated at 34 Shadwell Road, Maydon Wharf. (b) Lease area 32, 33, 34 and 35 of Erf 10014 Durban, situated at Cnr Shadwell & Jenkyn Roads, Maydon Wharf. (c) Lease area 36 and 37 of Erf 10014 Durban, situated at 137 Johnston Road, Maydon Wharf. (d) Lease area 56 of Erf 10014 Durban,

situated at Shadwell Road, Maydon Wharf. Lease area subs 1, 2, 3, 4, 5, 6 Block M and remainder of sub 3 Block M of Erf 10014 Durban, situated at Methven Road, Maydon Wharf. The rental enterprises are used for logistics and warehouse purposes.

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 Corroseal Group (Pty) Ltd (Corroseal)/ Rusmar Packaging (Pty) Ltd (Rusmar)

The Commission has unconditionally approved the proposed merger whereby Corroseal intends to acquire Rusmar.

Corroseal is an integrated corrugated packaging company which operates throughout the corrugated packaging value chain, from the manufacturing of paper, to the manufacturing and supply of corrugated packaging products. In particular, Corroseal owns and operates a paper mill that is used to manufacture paper used in the production of corrugated packaging (containerboard). Corroseal manufactures both recycled and virgin (kraft paper) containerboard paper material. Corroseal also owns four corrugating plants (factories) in KwaZulu-Natal, the Western Cape and Gauteng provinces.

Rusmar specialises in the manufacture and distribution of corrugated packaging and associated products. Rusmar purchases corrugated board and converts it into finished boxes. Rusmar has one manufacturing plant in Roodepoort, Gauteng Province. In addition, Rusmar provides other services such as packaging solutions, cleaning and safety 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.

1.4 Afrimat Limited (Afrimat)/ Unicorn Capital Partners Limited (UCP)

The Commission has unconditionally approved the proposed merger whereby Afrimat intends to acquire UCP.

Afrimat Group supplies the steel industry with metallurgical dolomite; the construction industry with a variety of aggregate products, concrete manufactured products, bricks/blocks and ready-mix concrete; the agricultural industry with agricultural lime; and various users of industrial minerals with burnt lime and other limestone products. In addition, the Afrimat Group provides various related services such as drilling and blasting, contract crushing and screening and transporting of bulk materials. The Afrimat Group operates through four key divisions, construction materials, industrial minerals; bulk commodities; and contracting services.

UCP Group is primarily engaged in the provision of overburden drilling and blasting services, mobile crane hire; exploration drilling; and the mining and sale of anthracite coal. UCP Group is also involved in coal mining and the provision of coal stockpile 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.

1.5 Sizwe Medical Fund (Sizwe)/ Hosmed Medical Scheme (Hosmed)

The Commission has unconditionally approved the proposed merger whereby Sizwe intends to acquire Hosmed.

Sizwe is a medical scheme duly incorporated with the Council of Medical Schemes (CMS), in terms of section 24(1) of the Medical Schemes Act 131 of 1998, as amended ("MSA"). Sizwe is not controlled by any firm but is managed by a board of trustees. Sizwe does not control any firm.

Hosmed is a medical scheme duly incorporated with the CMS, in terms of section 24(1) of the MSA. Hosmed is not controlled by any firm but is managed by a board of trustees. Hosmed does not control any firm.

Sizwe and Hosmed both operate open medical schemes, providing benefits to private individuals, families and employer groups across South Africa.

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 Coega Food Group (Pty) Ltd (CFG)/ Dairy Group (Pty) Ltd (Dairy Group)

The Commission has unconditionally approved the proposed merger whereby CFG intends to acquire Dairy Group.

CFG is active in the procurement of raw milk from dairy farmers in the manufacture of ultra-high temperature (UHT) under its own brand and under certain retailer private label brands. CFG also produces small amounts of butter, cheese and Maas.

The Dairy Group is also active in the procurement of raw milk from farmers and in the manufacture of UHT under its own brands and retailer private label 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.

1.7 Third Point Reinsurance Ltd (Third Point Re)/ Sirius International Insurance Group, Ltd (Sirius Group)

The Commission has unconditionally approved the proposed merger whereby Third Point Re intends to acquire Sirius Group.

Third Point Re controls a number of firms globally. However, it does not control any firms in South Africa. Third Point Re and all the firms it controls will hereon be referred to as the Acquiring Group. The Acquiring Group is not active in South Africa, nor does it generate turnover in, into or from South Africa. Globally, the Acquiring Group, through its wholly owned subsidiaries, underwrites property, specialty and casualty reinsurance businesses in the Americas, Europe, the Middle East, Africa, and Asia. It operates through two segments, (i) property and casualty reinsurance and (ii) catastrophe risk management. The property and casualty reinsurance segment's products consist of property insurance, workers compensation, personal automobile, businesses' general liability insurance, professional liability insurance, agriculture insurance, and mortgage insurance. The catastrophe risk management segment underwrites property catastrophe exposures and writes excess-of-loss catastrophe reinsurance.

Sirius Group is a Bermuda-domiciled holding company whose operating companies offer a variety of reinsurance and insurance products, serving clients and brokers through its global office network. Sirius Group offers primary insurance in a number of lines of business with a focus on accident and health, property, and environmental insurance.

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 Jayson Edwards v Pick n Pay Connect

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

2.2 Anelle Geldenhuys on behalf of Pinegrove School v AAI Medical Suppliers

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

2.3 Gugu Magubane v Old Mutual Group

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

2.4 Mrs Komal Nana obo TrustFactory (Pty) Ltd v Department of Telecommunications and Postal Services, South African Accreditation Authority and Mwenya Selebi

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

2.5 Thembeke Semane v Trafalgar Pretoria Office

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

2.6 Charles Mafa v Soshanguve Game Stores

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

2.7 Rand Pharmaceutical Distributors (Pty) Ltd v Pfizer South Africa

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

2.8 Bokamoso Lebepe v University of Limpopo and Dippenaar & Reinecke

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

2.9 Rhulani Khosa v University of Limpopo

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

2.10 Rand Pharmaceutical Distributors (Pty) Ltd v Servier Laboratories South Africa

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

2.11 Mr Brian Thomas on behalf of BPM Tool Craft v Metabo Power Tools

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

2.12 Alison Fisher v Clicks

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

2.13 Mr Deon Joubert v Discovery Health Medical Schemes

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

3. Withdrawal of complaints: The Commission has taken a decision to accept the withdrawal of the following complaint

3.1 Graininvest v Senwes

The Commission has taken a decision to accept the withdrawal of this complaint

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

[ENDS]

Issued by:

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