



competition commission
south africa

Weekly Media Statement

For Immediate Release

22 October 2020

The Competition Commission of South Africa (CCSA) held its ordinary weekly meeting on Wednesday 21 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, mergers and acquisitions.

LATEST DECISIONS BY THE COMPETITION COMMISSION

1.1 Emerging Africa Property Partners Proprietary Limited (EAPP)/ Enigma Empowerment Fund 1 Proprietary Limited (EEF1) and Enigma Empowerment Fund 2 Proprietary Limited (EEF2) (collectively, the “Target Firms”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby EAPP intends to acquire EEF1 and EEF2 without conditions.

EAPP is a private company with the mandate of investing in sale and leaseback transactions with a focus on industrial and big box retail warehousing properties. EAPP is ultimately controlled by the Government Employee Pension Fund (“GEPF”). EAPP and all of the firms it controls, all of the firms controlling EAPP and all of the firms controlled by those firms shall be referred to as the Acquiring Group. The Acquiring Group is active in various property activities including light industrial properties.

The Target Firms each own adjacent light industrial properties located in the Camperdown region of Kwa-Zulu Natal.

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 Camperdown Real Estate (Pty) Ltd (CRE2)/ Onelogix (Pty) Ltd (OLG) in respect of the industrial property, known as Erf 30 Umlaas Road Mkhambathini, Registration Division FT, Kwa-Zulu Natal (Target Property)

The Commission has unconditionally approved the proposed merger whereby CRE2 intends to acquire the Target Property from OLG.

CRE2 is controlled by Enigma Empowerment Fund 2 (EEF2), which is ultimately controlled by Enigma Property Proprietary Limited (“Enigma Property”). Enigma Property is active in, *inter alia*, light industrial property activities.

The Target Property is a light industrial property that is currently under construction and located in the Camperdown region of Kwa-Zulu Natal.

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 Kagiso Capital (RF) Proprietary Limited (Kagiso Capital)/ EMSS Consulting Proprietary Limited t/a Alphawave Holdings (EMSS)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Kagiso Capital intends to acquire EMSS without conditions.

Kagiso Capital is an investment company, the portfolio companies of which include listed and unlisted firms in the education, healthcare, financial services and logistics sectors.

EMSS invests in unlisted firms in the technology, electronics and software sectors. EMSS also controls Alphawave Ventures, which also invests in unlisted firms in these sectors.

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 Silver Blade Abattoir (Pty) Ltd (Silver Blade)/ (i) the processing business operations conducted by the Enterprise Foods Divisions of Tiger Consumer brands Ltd (the Processing Business) from the Germiston, Polokwane and Daspoort facilities, and (ii) Feinschmecker (Pty) Ltd (Feinschmecker).

The Commission has unconditionally approved the proposed merger whereby Silver Blade intends to acquire the Processing Business and Feinschmecker.

Silver Blade is a previously dormant entity to be used for purposes of this transaction by a newly formed consortium comprising Country Bird Holdings (Pty) Ltd (Country Bird) and Feinschmecker. In exchange for its shareholding in the consortium, Feinschmecker will fold its business into the consortium or the Country Bird Group. Silver Blade is not engaged in any business activities. Country Bird is a fully integrated chicken producer with its head office in Johannesburg. Country Bird controls a variety of different entities with activities at various levels of the chicken supply chain.

The Processing Business produces protein-based chilled processed meat (CPM) products such as bacon; frozen / raw sausages; sliced meats (including salami, polony, mini loaves and other sliced meats); cooked sausages (such as viennas and smoked sausages); canned meat; and meat-based pates and spreads, which are ultimately sold to consumers across the spectrum of society in South Africa.

Feinschmecker produces CPM products such as hams; salami & cured meats; chilled or smoked sausages; polony; pates & spreads; and frozen or raw sausages. Feinschmecker also offers a range of hot food products. Feinschmecker delivers nationally to a range of customers, including supermarkets, restaurants, delis, and hospitality venues.

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 Boxer Superstores (Pty) Ltd (Boxer)/ Taboo Trading 122 (Pty) Ltd t/a Pick n Pay Family Store Orange Farm (the Target Firm).

The Commission has unconditionally approved the proposed merger whereby Boxer intends to acquire the Target Firm.

The Boxer Group conducts its business as a retailer of groceries, liquor, and hardware goods. It serves middle to low Living Standard Measures (LSM) 1-5 consumers. Boxer's supermarkets are mainly located near taxi & bus ranks, in rural areas, townships and CBD transport nodes.

The Target Firm conducts its business as a franchisee of Pick n Pay, solely operating as a Pick n Pay Family Store supermarket and liquor store in Orange Farm, Gauteng.

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 Boxer Superstores (Pty) Ltd (Boxer)/ Aptotron (Pty) Ltd t/a Pick n Pay Family Store Kliptown (the Target Firm).

The Commission has unconditionally approved the proposed merger whereby Boxer intends to acquire the Target Firm.

The Boxer Group conducts its business as a retailer of groceries, liquor, and hardware goods. It serves middle to low LSM 1-5 consumers. Boxer's supermarkets are mainly located near taxi & bus ranks, in rural areas, townships and CBD transport nodes.

The Target Firm conducts its business as a franchisee of Pick n Pay, solely operating as a Pick n Pay Family Store supermarket in Kliptown, Gauteng.

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 Differre (Pty) Ltd (Differre)/ The Royal Shaka Property Group (Pty) Ltd (RSPG)

The Commission has unconditionally approved the proposed merger whereby Differre intends to acquire RSPG.

The business activities of the firms in which Differre has interests include private equity, mining, commodity trading, cryptocurrency, property development, property holding, hospitality, and venture capital.

RSPG is a property holding company with the aim of developing a mixed-use property development on the RSPG Properties between Sheffield Beach and Blythedale Town on the North Coast of KwaZulu-Natal (The RSPG Development Project). The RSPG Development Project's vision is to increase its socio-economic impact in KwaZulu-Natal and the initial stages of the development vision is planned over an extended period with a view to launching key development products into the market in stages that are underpinned by a systematic development process.

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.

1.8 CTP Limited (CTP)/ Shumani RSA (Pty) Ltd (Shumani RSA)

The Commission has unconditionally approved the proposed merger whereby CTP intends to acquire Shumani RSA.

CTP is a company which is active in the South African print media sector. CTP is involved in various fields of publishing and general printing such as newspapers, magazines, commercial print, book printing, stationery, packaging, and labels.

Shumani RSA provides printing solutions, with a focus on commercial and book printing.

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.

1.9 BM SPC 1 (Pty) Ltd (NewCo)/ Bold Moves 1715 (Pty) Ltd (Bold Moves)

The Commission has unconditionally approved the proposed merger whereby NewCo intends to acquire Bold Moves.

NewCo is controlled Asia Minerals Limited (AML), a firm incorporated in accordance with the laws of the Republic of Hong Kong. AML is a multinational company, headquartered in Hong Kong, with subsidiaries and operations in Asia, Africa, Europe, the Commonwealth of Independent

States and North America. AML, through its subsidiaries, is involved in a range of activities related to manganese, including the production and supply of manganese ore and ferroalloys such as manganese ferroalloys and silicon ferroalloys. In South Africa, AML's only activities are through KMR. KMR owns the Kudumane Manganese mine in Kuruman, Northern Cape Province. The mine produces manganese ore which is primarily exported to countries such as India, China, Russia and Malaysia.

Both Bold Moves and Dirleton are investment holding companies and do not have any other business interests apart from holding shares in KMR. They do not conduct any business activities in South Africa or elsewhere in the world.

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 Bain Capital Investors, L.L.C (Bain Capital)/ Ahlstrom-Munksjö Oyj (Ahlstrom-Munksjö)

The Commission has unconditionally approved the proposed merger whereby Bain Capital intends to acquire Ahlstrom-Munksjö.

Bain Capital is a global private equity investment firm that invests, through its family of funds, in companies across a number of industries, including information technology, healthcare, retail and consumer products, communications, financial services and industrial/manufacturing.

Ahlstrom-Munksjö is a global manufacturer and supplier of fibre-based materials. Its product offering includes, inter alia, filter materials, release liners, food and beverage processing materials, décor papers, abrasive and tape backings, electro-technical paper, glass fibre materials, medical fibre materials and solutions for diagnostics as well as a range of specialty papers for industrial and consumer end-uses.

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 Carlmac Steel Proprietary Limited (“Carlmac”) and The Alrode Business of Aveng Duraset, an operating division of Aveng Manufacturing, which is a division of Aveng Africa Proprietary Limited (“Alrode Business”)

The Commission has conditionally approved the merger in terms of which Carlmac will acquire the Alrode Business as a going concern.

Carlmac and all the firms it controls are involved in several activities. Of relevance for this merger assessment is Carlmac’s manufacture and supply of mining roof support products, specifically resin bolts and accompanying bearing plates.

The Alrode Business manufactures and supplies a variety of mining roof bolts, including resin bolts and bearing plates. Apart from resin bolts and bearing plates, the Alrode Business also supplies other mining roof support products, including anchors, expansion shells, soil nails and universal grouting systems.

The Commission found that the merger is unlikely to result in any substantial lessening or prevention of competition in any relevant markets.

The merging parties tendered employment conditions and conditions to promote a greater spread of ownership of firms in the market for mining roof support product to address the public interest concerns arising from the merger.

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

2.1 Dr Lebohang Teboho Bell v Takealot

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

2.2 Lawrence Ndaba v Iveco South Africa and Armscor

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

2.3 Mr Sean Basil Reitz on behalf of United Drone Holdings (Pty) Ltd v UAV and Drone Solutions (Pty) Ltd / Bidvest Protea Coin

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

2.4 Siphon Mhlahlo v AB InBev - SAB

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

2.5 Headsmart South Africa (Pty) Ltd v Dr Jonathan Patricios

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

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

[ENDS]

Issued by:

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