



competition commission
south africa

Weekly Media Statement

For Immediate Release

15 October 2021

The Competition Commission of South Africa (CCSA) held its ordinary weekly meeting on Tuesday 12 October 2021, 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) as amended. These matters include but are not limited to complaints, mergers and acquisitions.

LATEST DECISIONS BY THE COMPETITION COMMISSION

1.1 Hatfield Holdings Proprietary Limited (Hatfield) with its principal place of business situated at 1199 Pretorius Street, Jan Shoba Street, Hatfield, Pretoria, 0028 / The business of Summit Auto Trading South Africa Proprietary Limited (SATSA), Summit Auto Investments (SAI) and Triumph South Africa Proprietary Limited (Triumph)

The Commission has recommended that the Competition Tribunal (Tribunal) approve the proposed transaction whereby Hatfield intends to acquire the business of SATSA and acquire control in SAI and Triumph from Summit Auto SA Proprietary Limited ("SASA"), with conditions.

Hatfield owns and operates VW, MAN and Audi branded dealerships. The Hatfield dealerships sell new and used passenger and commercial vehicles as well as used MAN and VW heavy commercial vehicles. Each of Hatfield's dealerships are single branded as VW, Audi or MAN. The MAN and VW Trucks and Bus division sells heavy commercial vehicles. Hatfield also offers after-sales services and OEM parts and accessories and provides top-up vehicle maintenance plans.

In addition, Hatfield acts as an intermediary in the provision of finance and insurance support services to its customers, by selling a small number of motor risk policies such as Purchase Protection; Top Up Insurance; and Used Vehicle Warranty.

The Target Business consists of 22 dealerships operated from 11 locations, that sell new and used Fiat, Ford, Haval, Honda, Isuzu, Jeep, Mazda, Opel, Renault, and Suzuki vehicles, the Business Assets and the ancillary businesses (including the after-sales services, associated parts and aftermarket services as well as the assets owned by SATSA and used in or in connection with the Target Business). The Target Business does not carry the VW, Audi or MAN brands.

SAI acts as an intermediary in the provision of finance and insurance support services to customers of the Target Business, by selling a small number of motor risk policies, including Top Up Insurance, Credit Life or Purchase Protection extended warranties on new vehicles and warranties on used vehicles.

Triumph holds the sole distribution rights for Triumph branded motorcycles for South Africa. Triumph is engaged in both the wholesale distribution and retail of new Triumph branded motorcycles.

The Commission notes that the merging parties retrenched some employees prior to the merger. The Commission did not find any evidence to suggest that the retrenchments implemented by the merging parties in their respective businesses in the past year, were linked to the proposed transaction. However, the Commission is of the view that the retrenchments undertaken by the merging parties resulted in substantial job losses. To minimize the impact of the merger on employment, the merging parties agreed to a condition obligating the merging parties to give preference to the retrenched employees when vacancies become available, provided that the employees have the requisite qualifications, skills, and experience for the vacancy. This condition will apply for a period of 24 (twenty-four) months after the implementation of the proposed transaction.

1.2 Plumbago Logistics Platform (Pty) Ltd (“Plumbago”) / DSV Real Estate Johannesburg Proprietary Limited in respect of the rental enterprise known as DSV Park (DSV Park”)

The Commission has recommended that the Competition Tribunal (Tribunal) approves the proposed transaction whereby Plumbago intends to acquire DSV Park, without conditions.

The transaction raised an overlap in large light industrial property within Kempton Park and surrounds. The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant market.

The Commission further found that the proposed transaction does not raise any public interest concerns.

1.3 Imperial Capital Limited (Imperial) / Deep Catch Holdings Namibia Proprietary Limited (Deep Catch)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Imperial intends to acquire Deep Catch, without conditions.

Imperial Capital controls several operational subsidiaries located across the Southern Africa Development Community (“SADC”) Region. Imperial is a logistics firm. Relevant to the proposed transaction, Imperial provides contract logistics for the transportation of fresh, frozen and ambient products within South Africa and cross-border into other SADC countries.

Deep Catch is duly incorporated in accordance with the laws of Namibia. Deep Catch is jointly controlled by Deutsche Investitions-Und Entwicklungsgesellschaft mbH (“DEG”), and Guinea Fowl Investments Forty-One Pty Ltd (“Guinea Fowl”). DEG is registered in accordance with the laws of Germany and Guinea Fowl is controlled by Salt Capital Venture Limited, which is incorporated in the laws of the Republic of South Africa. Deep Catch specialises in the importation (into Namibia and South Africa), exportation (from Namibia and South Africa), wholesale and

distribution of fresh, frozen and ambient products within SADC, including South Africa and Namibia.

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

1.4 Sanlam Life Insurance Limited (Sanlam Life) / The Group Risk Business of Alexander Forbes Limited (AF Life)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Sanlam Life intends to acquire the group risk business (including its retail life business) of Alexander Forbes, AF Life, without conditions.

Sanlam is a diversified financial services group that operates across the African continent, India, Malaysia and various other countries. Sanlam's areas of expertise include insurance (life and general), financial planning, retirement, investments and wealth. Sanlam provides various life policies (it provides a broader range of life insurance policies than AF Life).

The Group Risk business of AF Life provides various insurance products for employers to cover their employees in the event of specific risks occurring, including loss of life or illness, and thereby protect the financial well-being of the employees' families. The benefits of these products include critical illness, funeral cover, group education benefits, as well as disability benefits. Group life assurance policies make up the largest portion of the AF Group Risk policies with disability income protection policies and funeral cover policies making up the remaining.

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

1.5 DPD Laser Express Logistics (Pty) Ltd (DPD Laser) / Fast and Furious Distribution (Pty) Ltd (F&F)

The Commission has conditionally approved the proposed merger whereby DPD Laser intends to acquire F&F.

DPD Laser is a global provider of integrated supply chain logistics solutions across all sectors. Through its capability in air and ocean freight, clearing and forwarding, warehousing and fulfilment, contract logistics, DPD Group offers express delivery services to eCommerce, Business-to-Business (B2B) and Business-to-Consumer (B2C) market segments. In South Africa, DPD Laser operates through Dawn Wing (known as DPD Laser).

F&F was established in 1997 as a road freight operator specializing in the print and media industry. It provides B2C parcel delivery services within South Africa and also offers cross border deliveries to countries such as Zambia, Namibia, Lesotho, Botswana and eSwatini.

The proposed transaction is unlikely to substantially prevent or lessen competition in the market for the provision of courier services in South Africa. The Commission was concerned about potential job losses following approval of the merger. In order to mitigate this concern, the Commission imposed a moratorium freezing retrenchments for a period of 2 years.

1.6 RDC Properties South Africa Proprietary Limited (RDC SA) / Tower Property Fund Limited (Tower)

The Commission has unconditionally approved the proposed merger whereby RDC SA intends to acquire Tower.

RDC Group is an investment holding company engaged in the business of acquiring and developing investment properties in the commercial, retail and hospitality industries. Relevant to the proposed transaction are RDC Group's office and retail properties in Cape Town. The RDC

Group's office properties are classified as Grade P and Grade A office space and RDC Group's retail properties are classified as convenience centres.

Tower Group is active in property investments, and it owns a diversified portfolio of high-quality office, retail and industrial properties. Relevant to the proposed transaction are Tower's office and retail properties in Cape Town. The retail properties owned by Tower Group are classified as convenience centres and the office properties owned by the Tower Group are classified as Grade P and A office properties.

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 Thermo Fisher Scientific Inc. (Thermo Fisher)/ PPD, Inc (PPD)

The Commission has conditionally approved the proposed merger whereby Thermo Fisher intends to acquire PPD.

Thermo Fisher is a public company in the United States of America. Thermo Fisher is a global manufacturer and supplier of a broad range of analytical, research and bioprocessing products as well as pharmaceutical contract development and manufacturing services. Thermo Fisher serves pharmaceutical and biotech companies, hospitals and clinical diagnostic laboratories, universities, research institutions and government agencies, as well as customers in the areas of environmental, industrial quality and process control.

PPD is a public company headquartered in Wilmington, North Carolina, USA. PPD is a contract research organization (CRO) that supports pharmaceutical and biotech companies in the organization and evaluation of clinical trials.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The merging parties were however not able to provide an unequivocal statement on the effect of the proposed transaction on employment. To guard against any potential future retrenchments that may arise as a result of the proposed merger, the Commission imposed a 2-year moratorium on merger specific retrenchments.

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

2.1 Thandiswa Alma Kama v Vukile Properties manager Broll

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

2.2 Mothei Clifford Masigo v Kansai Plascon

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

2.3 Revelation Diane v Boxer Store

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

2.4 Zibuyile Cynthia Khuboni v Telkom Service Provider

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

2.5 Marthinus Marius van Rooyen v Insurance Industry

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

2.6 Neal Vincent c/o BASE Model Agency v Heineken South Africa (RF) (Pty) Ltd

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

2.7 Phindokuhle Phakathi v Department of Agriculture, Land Reform and Rural Development

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

2.8 Simone Rita Gudrun Braun v The board of Wild Rivers Private Nature Reserve

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

2.9 Albertus Johannes Vorster v Vodacom

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

2.10 Mr. Keith Reginald Middleton v Commercial Agriculture (AgriSA, TAU, SAAI and all agricultural water users who benefitted unduely)

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

2.11 Maditsi Mphela v Dis-Chem Pharmacies

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

2.12 The Buying Group (Pty) Ltd v PPC Cement SA (Pty) Limited

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

2.13 Constandt W van Wyk v DSTV

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

2.14 Mr Matakanya Matakanye (National Association of School Governing Bodies) v Ms Partese (Foundation phase coordinator in District 14 in Gauteng) and Missing Link Education

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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