



competition commission
south africa

Weekly Media Statement
For Immediate Release
15 December 2021

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday 14 December 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.

1. MERGERS AND ACQUISITIONS

1.1 South African Gas Development Company SOC Ltd (iGas) and Companhia Moçambicana de Gasoduto S.A. (CMG) / Republic of Mozambique Pipeline Investments Company (Pty) Ltd (ROMPCO)

The Commission has recommended that the Tribunal approve the proposed transaction whereby iGas and CMG intend to acquire ROMPCO, without conditions.

iGas is wholly owned by Central Energy Fund Group (CEF SOC Ltd) (CEF), which is ultimately owned and controlled by the South Africa Government. iGas and CEF will collectively be referred to as the CEF Group.

The CEF Group is a Schedule 2 state-owned diversified energy company reporting to the Department of Mineral Resources and Energy (DMRE). The mandate of CEF is to contribute to

the security of energy supply in South Africa through oil, coal and gas exploration, acquisition, development, marketing, and strategic partnership, including development and commercialisation of renewable and clean energy options and technologies. The CEF Group operates across the energy sector value chain. iGas' sole investment is its 25% non-controlling interest in ROMPCO.

CMG is incorporated under the laws of Mozambique. CMG is controlled by Empresa Nacional de Hidrocarbonetos De E.P. (ENH). ENH is owned by the Mozambican State, which is represented by the Institute for the Management of State Holdings (the IGEPE) as established in accordance with the Business Sector Law.

CMG does not control any firms. ENH controls in excess of 15 firms in Mozambique, Singapore, and United Arab Emirates, some of which generate revenue from South Africa. ENH and its subsidiaries will collectively be referred to as the ENH Group. The only firm in the ENH Group that operates in South Africa is CMG.

ROMPCO owns and operates a pipeline which transports natural gas from Mozambique to South Africa. ROMPCO sells gas transportation services to customers in terms of which ROMPCO provides capacity in its high-pressure pipeline and transports natural gas from Sasol SA's onshore gas fields in Pande and Temane in Mozambique to Sasol SA's operations in Secunda in South Africa and to customers in Mozambique. ROMPCO also sells capacity in its transmission pipeline to customers who wish to transport natural gas from the source in Mozambique to delivery points in Mozambique and South Africa.

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.

1.2 Discovery, Inc (“Discovery”) / the business operations, assets and liabilities that constitute the WarnerMedia segment of AT&T Inc. (“WarnerMedia”)

The Commission has unconditionally approved the proposed merger whereby Discovery intends to acquire WarnerMedia.

In South Africa, the merging parties are involved in, *inter alia*, the wholesale supply of TV channels, licensing of broadcasting rights, advertising, merchandising and retail of audio-visual 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.

1.3 The NA Family Trust (“NA Trust”) / Puregas (Pty) Ltd (“Puregas”)

The Commission has conditionally approved the proposed merger whereby NA Trust intends to acquire Puregas.

The NA Trust does not provide any products or services and accordingly does not operate in any market. The NA Trust was formed to hold assets for the benefit of the beneficiaries of the NA Trust. Apart from Puregas, the NA Trust does not control any other firms in South Africa.

Puregas is a supplier of speciality gases which include hydrocarbon gas propellants and foam blowing products, high quality speciality gas mixtures, gas equipment, fire suppression gas mixtures, ammonia, carbon dioxide and LPG.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market in South Africa.

In terms of the public interest, the Commission found that the transaction would lead to a dilution of shareholding by HDPs. To remedy this, the Commission and the merging parties agreed that Puregas will (i) invest in training and education for Employees and their Children, (ii) provide financial and other support to an HDP-owned gas transport company entering the market for speciality gases, and (iii) provide technical advice and support to a HDP-owned potential provider

of Carbon Dioxide relating to the establishment of a Carbon Dioxide plant or similar project in South Africa.

1.4 Speed Bidco S.A.r.l (“Speed Bidco”) / Kiwi VFS SUB I S.à r.l. (together with its subsidiaries, “VFS”)

The Commission has unconditionally approved the proposed merger whereby Speed Bidco intends to acquire VFS.

Speed Bidco is a private company incorporated and registered in accordance with the laws of Luxembourg. Speed Bidco is indirectly controlled by funds advised and/or managed by affiliates of Blackstone Inc.

VFS provides outsourcing and technology services offering visa application and consular services to governments and diplomatic missions. VFS manages administrative and non-judgmental tasks related to applications for visas, passports, identity documents and citizen services for its client governments, enabling its clients to focus entirely on the critical task of application assessments. VFS is structured into the following 3 business lines providing the following services: (i) Visa Services (visa application processing, e-Visa application processing, value added services); (ii) Passport Services (passport application processing, value added services); and (iii) other (identification & citizen services, verification & attestation).

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 Obaro Handel (Pty) Ltd (“Obaro Handel”), Koedoeskop Kunsmis (Vloeibaar) (Pty) Ltd (“KK”) and Newco 123 investments (Pty) Ltd (NewCo Investments) / Afrifert (Pty) Ltd (Afrifert)

The Commission has conditionally approved the proposed merger whereby NewCo Investments intends to acquire Afrifert.

NewCo Investments does not have any activities or assets. Upon implementation of the proposed transaction, the business of NewCo Investments will be that of Afrifert in relation to its fertiliser business. NewCo Investments will be jointly owned and controlled by Obaro Handel and KK.

Obaro Handel is an agricultural retail business in South Africa; and Obaro Financial Services provides production loans to farmers across South Africa. Obaro Handel sells a range of agricultural products to the South African market, one of which is fertiliser products. Obaro Handel purchases fertiliser products from various blenders. Obaro Handel holds the fertiliser as stock in its warehouses and sells to end-users of the fertiliser products (i.e., farmers and the general public). Obaro Handel has outlet stores in Gauteng, North-West, Limpopo, Mpumalanga and Northern Cape. Obaro Financial Services provides production loans to farmers to enable the farmers to produce different crops. Such production loans include loans which enable the farmers to purchase fertiliser products from blenders.

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 however received a concern from a customer of Afrifert's regarding security of supply following the merger. The customer was concerned that its business would be negatively affected should Obaro and KK elect to use their own retail operations to supply Afrifert's fertilizer instead of supplying third-party retailers/distributors. To remedy this concern, the Commission and the merging parties agreed to a condition that the merged entity will continue to supply third party customers of Afrifert on market related terms.

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

1.6 Marown Holdings Limited (Marown) / Chasefield Investments (Pty) Ltd (Chasefield)

The Commission has unconditionally approved the proposed merger whereby Marown intends to acquire Chasefield.

Marown and all the firms they control, shall be referred to as the “Acquiring Group”.

The Acquiring Group is active in the provision of software development and Information Technology services (“IT Services”). In particular, the Acquiring Group offers software development of (i) e-gaming, (ii) online gambling and (iii) ecommerce and (iv) IT Services. The Acquiring Group does not provide any of these activities in South Africa and does not derive any revenue in South Africa.

Chasefield and all the firms that it controls shall be referred to as the “Target Group”. The Target Group is active in software development and IT Services in particular, software development of (i) online gambling and (ii) ecommerce and (iii) IT Services. The Target Group also provides support, maintenance, and ancillary technical services in respect of the products and solutions that it offers. The software that the Target Group developed is currently utilised in a number of international markets.

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. COMPLAINTS (REFERRALS & NON-REFERRALS)

2.1 Lianne Pienaar v Numerous Companies (Registered Credit Providers and variety of other companies)

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

2.2 Pronker Projekte v The buying of Loskop Kunsmis by OBARO

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

2.3 Undistyle (Pty) Ltd v The buying of Loskop Kunsmis by OBARO

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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