



competition commission
south africa

Weekly Media Statement
For Immediate Release
03 March 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Wednesday 02 March 2022, 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 ETG Chem FZE LLC (ETG) / Cure-Chem South Africa (Pty) Ltd (Cure-Chem)

The Commission has recommended that the Competition Tribunal (Tribunal) approve the proposed transaction whereby ETG intends to acquire Cure-Chem, subject to conditions.

The acquiring firms are active in the supply of agricultural products, commodity trading as well as the market for the blending and distribution of granular fertilizer and liquid fertilizer in South Africa.

Cure-Chem is an importer and distributor of raw chemicals that are supplied as inputs for the manufacture of detergents in 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.

However, the Commission found that the merger raises concerns regarding section 12A(3)(e) of the Act. However, the parties have agreed to increase its expenditure on skills, supplier and

enterprise development initiatives in South Africa, which address the public interest concerns arising from the merger.

1.2 SKG Properties Fund I Proprietary Limited (“SKG Properties Fund I”) / Redefine Properties Limited (“Redefine”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby SKG Properties Fund I intends to acquire the properties known as 34 Wrench Road and Pepkor Isando from Redefine, without conditions.

SKG Properties Fund I forms part of the SKG Group which owns companies engaged in the development and leasing of commercial, industrial and retail investment properties and the management thereof. For the purposes of the present transaction, SKG Properties Fund I, all the firms that control it, the firms controlled by its controlling entities and the interests that it holds, will collectively be referred to as the “SKG Group”.

The Target Properties are 34 Wrench Road, a rentable light industrial space, situated in Isando, Kempton Park and Pepkor Isando, also a rentable light industrial space, situated in Isando, Kempton Park..

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 UBI General Partner Proprietary Limited (UBI)/ CSG Holdings Limited (CSG)

The Commission has recommended that the Tribunal approve the proposed transaction whereby UBI intend to acquire CSG, without conditions.

The acquiring firms hold investments in various sectors such as such as financial services (banking, short term insurance and private equity), real estate, auto parts, mining and construction.

CSG provides facilities management (including cleaning, catering, maintenance and security services), security equipment and access control and staffing solutions (temporary or permanent employee placements).

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 Sinosteel Group Corporation Limited (Sinosteel) / Deen Holdings Corporation Limited (TLG)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Sinosteel intends to acquire Deen Holdings, with conditions.

Sinosteel and all its subsidiaries will collectively be referred to as the “Sinosteel Group.”

Of relevance to the transaction are the Sinosteel Group’s activities in the trading of chrome ore from South Africa through Sinosteel South Africa. Sinosteel Group also supplies coke, dental equipment, mill rolls, construction and spare parts (steel balls, ceramic filters etc.) in South Africa.

Deen Holdings is active in South Africa through a number of firms with activities in the mining industry. Of relevance to the proposed transaction, Deen Holdings operates in South Africa through Samancor. Samancor’s business activities include chrome ore mining, smelting and production and distribution of Electrode Paste (an essential input into the production of ferrochrome).

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant market.

However, the proposed merger raised potential concerns regarding employment and the promotion of greater spread of ownership by historically disadvantaged persons and workers in firms in the market. In this regard, the Commission recommended that the proposed merger be approved subject to a 2 year moratorium on merger-specific retrenchments and that the merging parties shall at their own expense implement a B-BBEE/worker ownership transaction in an entity that will hold mining mineral rights.

1.5 Shoprite Checkers (Pty) Ltd (Shoprite) / Main Street 1883 (Pty) Ltd (Main Street)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Shoprite intends to acquire Main Street, without conditions.

Shoprite retails and distributes a wide range of products and services including, amongst others, groceries, general merchandise, pharmaceuticals, furniture and liquor.

The Target Firm provides on-demand delivery (“ODD”) services (i.e. last mile logistics services) to online shopping platforms such as the Acquiring Group’s Sixty60 retail grocery online shopping platform.

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 Afrimat Limited (Afrimat)/ Agri Lime (Pty) Ltd (Agri Lime), Stoney Lime (Pty) Ltd (Stony Lime) and the Mining Rights held by Kalaka Mining (Pty) Ltd (Kalaka Mining Rights)

The Commission has unconditionally approved the proposed merger whereby Afrimat intends to acquire Agri Lime, Stony Lime and Kalaka Mining Rights.

Afrimat and all the firms that it controls, shall be referred to as the Acquiring Group. The Acquiring Group provides various related services such as drilling and blasting, contract crushing and screening and transporting of bulk materials. Relevant to the assessment of the proposed transaction are the activities of the Acquiring Group relating to the (i) mining of calcitic limestone, (ii) beneficiation of calcitic limestone (used in the agricultural sector) and (iii) the supply of feed lime and agricultural lime.

The Kalaka Mining Right, Agri Lime, Stony Lime shall be interchangeably referred to as the Target Group and/or the Target Firms.

The Target Group is active in the mining and beneficiation of calcitic limestone and the supply of supply of feed lime and agricultural lime.

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 Seatrade Shipping Services (Pty) Ltd (Seatrade) / DCP Cape Town (Pty) Ltd (“DCP Cape Town”); Durban Container Park (Pty) Ltd (“Durban Container”); Idlelo Logistics

(Pty) Ltd (“Idlelo Logistics”); Pendula Logistics (Pty) Ltd (“Pendula Logistics”); and Nascispan (Pty) Ltd (“Nascispan”)

The Commission has conditionally approved the proposed merger whereby Seatrade intends to acquire DCP Cape Town, Durban Container, Idlelo Logistics, Pendula Logistics and Nascispan.

Seatrade is an SPV that has been incorporated to facilitate the proposed transaction and does not have any business activities. The Acquiring Group consists of firms that operate in the following business activities: property ownership and rental, provision of integrated Supply Chain Services (these services include Air Freight, Sea Freight, Land Transport, Project Cargoes, Sea-Air Cargoes, Ship & Port Agency, Break-bulk cargoes and Warehousing and Distribution), Shipping services, Information Technology services, Container Sales services and provision of an integrated logistics solution (aimed at offering a door-to-door service).

DCP Cape Town and Durban Container Park provide the following: container storage, sales, container shipping and related maintenance and logistics services in Cape Town and Durban; storage of empty and loaded shipping containers; provision of refrigerated shipping containers storage facilities; loading of shipping containers for transport; administration of shipping container dispatch facilities; repairing of shipping containers and general maintenance; and container sales.

Idlelo’s sole activity is the collection of the due rental from DCP Cape Town and Durban Container Park and the paying over thereof to the lessors. Pendula is in the business of transporting shipping containers. Pendula is principally involved in the shuttle of containers from the Durban Port to the DCP Durban depo, with similar service occasionally provided to DCP Cape Town and a limited container delivery service to depots in Johannesburg. Nascispan is an SPV that owns a property that is leased from it by DCP Cape Town.

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

Regarding the impact of the proposed transaction on the promotion a greater spread of ownership, the merging parties submit that both merging parties have no B-BBEE shareholding. The Commission requested that the proposed merger be approved subject to the following condition: within 24 (twenty-four) months of the implementation date, the merged entity shall establish an ESOP for an effective 5% (five percent) interest in the Target Firms for the benefit of the Target Firm’s Employees. The Merging Parties have agreed to this condition.

In addition, the proposed transaction does not raise any other public interest concerns.

1.8 Timber Servicios Empresariales S.A (Timber)/ LSFx Flavum Topco S.L (Altadia)

The Commission has unconditionally approved the proposed merger whereby Timber intends to acquire Altadia.

Timber is a special purpose vehicle (“SPV”) incorporated to facilitate the proposed transaction. The ultimate controller of Timber, Carlyle, is a private equity firm which manages funds and assets of firms in various sectors and industries across the world.

Altadia’s primary business activities include the development, production and marketing of ceramic tile intermediates, which activities include frits and glazes, glaze stains, body stains and digital inks.

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

1.9 Boxer Superstores (Pty) Ltd (Boxer)/ Loriphon (Pty) Ltd t/a Pick n Pay Family Supermarket (PnP Alex Junction)

The Commission has unconditionally approved the proposed merger whereby Boxer holdings intends to acquire PnP Alex Junction.

Boxer and all the firms directly or indirectly controlled by it and all the firms directly and indirectly controlling it will hereinafter be collectively referred to as the “Acquiring Group”.

The Acquiring Group is involved in the retail supply of food, clothing, general merchandise, pharmaceuticals, and liquor throughout South Africa, both on a corporate-owned and franchise basis. The Acquiring Group also acquires and develops strategic retail and distribution sites.

Boxer conducts business, inter alia, as a national supermarket, liquor and hardware goods retailer focusing on “no-frills”, low-cost fixtures and fittings. Boxer 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.

PnP Alex Junction operates as a ‘Pick n Pay Supermarket’ and is operated in accordance with the provisions of a franchise agreement concluded between Loriphon (Pty) Ltd (Loriphon) and Pick n Pay Retailers. PnP Alex Junction is involved in the retail supply of grocery products in Alexandra. PnP Alex Junction has not been operational since July 2021.

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

1.10 Puccini Bidco B.V (Puccini Bidco)/ ekaterra B.V. (Ekaterra)

The Commission has conditionally approved the proposed merger whereby Puccini Bidco intends to acquire Ekaterra.

Puccini Bidco is a newly incorporated SPV with no activities in South Africa.

Ekaterra is a company incorporated in Netherlands. The Target Firm is solely controlled by Unilever International Holdings B.V. (Unilever) and has the following South African subsidiaries:

- (i) Tea Manufacturing South Africa Proprietary Limited; and
- (ii) Tea MSO South Africa Proprietary Limited, a private company.

The target firm produces and distributes tea globally through a number of different companies. The 2 South African Subsidiaries carry out Ekaterra's tea business in South Africa, operating the Joko and Glen tea brands.

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

In order to address some public interest issues arising, the merging parties tendered a moratorium on employment for a period of 2 years.

The proposed transaction does not raise any other public interest concerns.

1.11 Stedham Investments Proprietary Limited (Stedham)/ Princess Crossing Shopping Centre (Princess Crossing)

The Commission has unconditionally approved the proposed merger whereby Stedham intends to acquire Princess Crossing.

Stedham is involved in a number of businesses which are active in the development and rental of property.

Princess Crossing is a retail shopping centre located at 54 Ontdekkers Road, Helderkruijn, Roodepoort. Princess Crossing consists of a total gross lettable area (GLA) of about 35,500m².

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/WhatsApp @084 743 0000

[ENDS]

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