



**competition commission**  
south africa

**Weekly Media Statement**  
**For Immediate Release**  
**24 March 2022**

## **STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION**

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Friday 18 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 Dis-Chem Distribution Proprietary Limited (Dis-Chem Distribution)/ KZN Warehouse Proprietary Limited (KZN Warehouse) and CT Distribution Centre Proprietary Limited (CTDC)**

The Commission has recommended that the Tribunal approve the proposed transaction whereby Dis-Chem Distribution intends to acquire KZN Warehouse and CTDC, without conditions.

The Dis-Chem Group is active along the pharmaceutical supply chain ranging from wholesale distribution, logistics, and online stores to the operation of retail pharmacies. Dis-Chem Group conducts wholesale distribution of schedule 0 and unscheduled pharmaceutical products, as well as front shop goods.

Dis-Chem Group also operates an online store as well as a courier pharmacy business, which dispenses and delivers over-the-counter drugs, prescription medicine and front shop items to end-user customers who prefer to order on its website.

Dis-Chem Group operates a national chain of pharmacy stores located in the major metropolitan areas and suburbs in South Africa. From these pharmacy stores, Dis-Chem Group

retails pharmaceutical and front shop items to end-user customers. These pharmacy stores also sell online.

CTDC owns a warehouse complex in Stikland, Cape Town. This property is the Stikland office distribution centre, which is situated at 6 La Belle Rd, Stikland Industrial, Cape Town, 7530.

KZN Warehouse owns a warehouse complex in New Germany, KwaZulu-Natal. This property is the New Germany office distribution centre, which is situated at 237 Roadger Sishi Road, Off M19, New Germany, Pinetown, KwaZulu-Natal, 3620.

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 Magnesium Bidco Limited (Magnesium) / Mimecast Limited (Mimecast)**

The Commission has recommended that the Tribunal approve the proposed transaction whereby Magnesium intends to acquire Mimecast, with conditions.

Magnesium is a newly incorporated entity and does not conduct any activities. The Acquiring Group through its portfolio companies is active across the consumer, financial services, healthcare, industrial, and technology sectors. Relevant to the proposed transaction are the activities of the Acquiring Group in the broader market for the supply of information technology ("IT") services in South Africa. The Acquiring Group, through one of its portfolio companies is active in the wider supply of security software, specifically consumer cybersecurity software solutions. It solely provides consumer-level cybersecurity software solutions to consumers.

The Mimecast Group provides cloud security and risk management services for email and corporate information. The Mimecast Group offers an integrated suite of proprietary cloud services that protect enterprise customers from the significant business and data security risks they are exposed to through their emails and other corporate systems. The Mimecast Group's primary offerings in South Africa include email security, continuity and sync recover, archiving, awareness training, web security, DMARC analyzer, brand exploit protection and threat intelligence.

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. However, the parties have agreed to conditions that to make various useful contributions to HDPs and workers in South Africa through its various B-BBEE initiatives.

### **1.3 Swanvest 120 Proprietary Limited (Swanvest) / Indwe Broker Holdings Proprietary Limited (Indwe)**

The Commission has recommended that the Tribunal approve the proposed transaction whereby Swanvest intends to acquire Indwe, with conditions.

The acquiring firms are ultimately controlled by Sanlam Limited (“Sanlam”). Sanlam is involved in, amongst others, a provider of long-term insurance and short-term insurance cover. This is done directly or through Sanlam’s own brokers or independent brokers.

Indwe is a broker (i.e. intermediary) for short term insurance.

The Commission found that the merger is unlikely to result in any competition concerns in any of the relevant markets assessed (i.e., short-term insurance provision and short-term insurance broking).

The Commission found that the merger does raise concerns as regards section 12A(3)(e) of the Competition Act No. 89 of 1998 (as amended) which related to promotion of a greater spread of ownership by historically disadvantaged persons. The Commission and the parties have agreed to conditions which will result in Sanlam increasing its current expenditure over the next three years, towards skills development, mentorship and support of historically disadvantaged insurance brokers. These conditions address any substantial public interest concerns arising from the merger. The merger does not raise any other public interest concerns.

### **1.4 Synergy Investments Partnership, an en commandite partnership (Synergy Investment Partnership) / Synergy Contact Centre Proprietary Limited (Synergy)**

The Commission has recommended that the Tribunal approve the proposed transaction whereby Synergy Investment Partnership intend to acquire Synergy, without conditions.

The Synergy Investment Partnership is controlled by TC Corporate Ventures GP Proprietary Limited, acting in its capacity as General Partner to the Synergy Investment Partnership (“TC Corporate Venture GP”). TC Corporate Venture GP is, in turn, controlled by Transaction Capital Limited (“TC”). The majority of the interest in Synergy Investment Partnership is held by Transaction Capital Risk Services Proprietary Limited (“TCRS”). Synergy Investment Partnership, TC, TCRS and all the firms they directly or indirectly control are collectively referred to as the “Acquiring Group”.

The Acquiring Group is active or has interest in firms active in different sectors. The activities relevant for the proposed transaction relating to the provision of Business Processing and Outsourcing solutions. This includes the provision of debt collection services and call centre services.

Synergy is a contact centre business. Synergy operates in the International Business Process Outsourcing (“BPO”) sector, providing BPO solutions to a broad range of blue-chip clients based in the United Kingdom (“UK”) and the United States of America (“USA”) and operating in the retail, telecommunications and utility 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.

#### **1.5 SMS Altor Holding SA (SMS Altor)/ KAEFER Isoliertechnik GmbH & Co KG (KAEFER)**

The Commission has unconditionally approved the proposed merger whereby SMS Altor intends to acquire KAEFER.

SMS Altor is an SPV that has been incorporated to facilitate the proposed transaction and does not have any business activities. In South Africa, the Acquiring Group consists of firms that operate in the following business activities: property rental and owning, managing, developing, marketing, and dealing with the said property as well as serving the pyrometallurgical industry. The Acquiring Group also supplies integrated security solutions for customers with high requirements on secure cash handling, access and entrance control and protection against intrusion, burglary and fire, a safe storage service and trading, installing and servicing pedestrian and vehicular entrance control products.

The KAEFER Group is active in the business of insulation, access solutions, surface protection, passive fire protection, and related services, including electromechanical and other industrial services, as well as interior outfitting covering a wide range of industry segments, in particular, oil and gas, energy, chemicals and pharma, mining, metals and cement, construction, and marine or ship building industry.

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 Heywood Projects (Pty) Ltd (OPCO) / Pallet Supply Company Cape (Pty) Ltd (PSC)**

The Commission has unconditionally approved the proposed merger whereby OPCO intends to acquire PSC.

OPCO is controlled by the Bunang Trust. The Bunang Trust and all of its subsidiaries including OPCO will collectively be referred to as the “Acquiring Group.” The Acquiring Group is a boutique, black controlled, private equity investor, which identifies small to medium-sized companies, in a variety of industries, in respect of which it believes it can add value and grow the relevant business.

PSC controls Multi Pallets (Pty) Ltd (“Multi Pallets”) and Rainbow Recyclers (Pty) Ltd (“Rainbow Recyclers”). PSC and its subsidiaries will collectively be referred to as the “Target Group”. The Target Group is active in the manufacture of new pallets and crates, repair of pallets, buying and selling used wooden pallets, reselling of plastic pallets and hiring of wooden and plastic pallets 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 markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

### **1.7 Zeus Property Company Proprietary Limited (“Zeus Property Company”) / from Artech Investments Proprietary Limited (“Artech Investments”) in respect of the property letting enterprise known as Artem Centre**

The Commission has unconditionally approved the proposed merger whereby Zeus Property Company intends to acquire Artem Centre from Artech Investments.

Zeus Property Company is a new company formed for the sole purpose of acquiring the Artem Centre. Zeus is part of the Pacific Paramount Group which operates as a real estate company specialising in shopping centre leasing, management, sales and retail tenant representation and has shopping centres located throughout South Africa.

Artem Centre is a neighbourhood centre situated at 277 Main Road, Sea Point, Cape Town, Western Cape, comprising of rentable retail space. The centre consists of anchor tenants namely Pick ‘n Pay, Clicks, Coco Safar, Adelphi Pharmacy, Specsavers and various smaller retail stores.

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 Karo Pharma AB (Karo Pharma)/ The E45 Skincare Brand and Assets of Reckitt Benckiser Limited (Target Business)**

The Commission has unconditionally approved the proposed merger whereby Karo Pharma intends to acquire the Target Business.

In South Africa, Karo Pharma supplies skin care products under the Locobase and Ultrabase brands. One other entity controlled by Karo Pharma's parent company also provides skin care products through global brands such as Cetaphil, Proactiv and Benzac. Skin care products are used to moisturize skin or address skin sensitivity or conditions such as dryness or eczema.

Globally, including in South Africa, the Target Business provides skin care products. The Target Business sells the following skin care products in South Africa: E45 cream (50g tube, 125g tub, 500g tub and 500g pump), E45 daily lotion (200ml and 400ml), E45 moisturising lotion (200ml and 500ml), E45 rich lotion (200ml and 400ml) and E45 junior moisturising lotion (200ml).

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 VKB Grain services (VKB Grain Services) a newly incorporated private company to be established by VKB Landbou Proprietary Limited/ BKB Limited in regard to its grain storage and handling business (BKB)**

The Commission has unconditionally approved the proposed merger whereby VKB Grain Services intends to acquire BKB.

VKB Grain Services is a newly incorporated entity which is not involved in any activity. VKB Grain Services will however house the VKB Grain Storage and Handling Business which comprises of 23 grain silos, 15 of which are in the (north-eastern) Free State and 8 (eight) in Limpopo.

The BKB Grainco Grain Storage and Handling Business, which is subject of the transaction, comprises of 11 depots located throughout South Africa's summer and winter grain producing areas, including Mpumalanga, the Western Free State and the Western Cape.

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 Laula Engineering and Infrastructure Group Proprietary Limited (Laula)/ Rhino Africa Mining Holdings Proprietary Limited (Rhino Africa)**

The Commission has unconditionally approved the proposed merger whereby Laula intends to acquire Rhino Africa.

Laula is a holding company which does not trade. The firms controlled by Laula include Grinaker-LTA Building and Civil Engineering (Pty) Ltd (“Grinaker-LTA”), Grinaker-LTA (Pty) Ltd, Laula Capital (Pty) Ltd (“Laula Capital”) and Ground Engineering (Pty) Ltd (“Ground Engineering”).

Grinaker-LTA Group is a multi-disciplinary engineering and construction company focused on civil, residential, commercial and industrial construction in South Africa.

Specifically, Grinaker-LTA (Pty) Ltd offers above ground infrastructure services to the mining industry, oil and gas, chemicals, paper and pulp and renewable sectors.

Rhino Africa is a non-trading public company which controls various subsidiaries involved in the platinum, chrome, coal and gold mining. Of note, Rakcrete produces and distributes bagged cement and related construction products used for underground mine construction.

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.

#### **1.11 FLS Germany Holding GmbH (FLS)/ Thyssenkrupp Mining Technologies GmbH (tk Mining)**

The Commission has conditionally approved the proposed merger whereby FLS intends to acquire tk Mining.

Globally, the FLS Group is a supplier of complete plants, equipment, and single machine units, as well as spare parts and engineering and service solutions, to the global cement and mining industries. The FLS Group also supplies products, solutions, and services to industries adjacent to its core industries, including the aggregates, water treatment, waste to energy, pulp and paper, power utilities, steel, food, and pharmaceuticals and chemicals industries.

Globally, the Thyssenkrupp Group provides industrial and plant technology solutions to industrial customers. This includes designing and building individual machines and complete installations, as well as modernising and upgrading existing systems. The plant technology business consists of three business units, namely chemical and process technologies, mining technologies, and cement technologies.

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 identified a number of employment related concerns. The merging parties have agreed to conditions which will serve to limit retrenchments post-merger. Further, the merging parties have agreed to give any employees retrenched first preference for roles that may arise in the merged entity over the next 24 months. Lastly, the merging parties have agreed to a condition which will see them increase the shareholding attributable to historically disadvantaged persons by a certain percentage post-merger. The proposed merger does not raise any other public interest concerns.

### **1.12 Cargotec Corporation (Cargotec)/ Konecranes Plc (Konecranes)**

The Commission has conditionally approved the proposed merger whereby Cargotec intends to acquire Konecranes.

The merging parties are involved in the manufacture and supply of materials handling equipment, including industrial equipment and mobile equipment. Materials handling equipment is machinery that is designed to lift or move loads or materials.

Of relevance to this merger assessment is the merging parties mobile equipment business. Mobile equipment includes cranes, reach stackers, container handlers or tractors and forklifts. This equipment is used to lift, move and locate empty shipping containers and is primarily located at port terminals or in the logistics value chain.

Both merging parties supply mobile equipment to South Africa. However, none of that equipment is manufactured or assembled locally but is imported from the merging parties' respective global manufacturing operations. The Commission found that the merger results in competition concerns as regards the supply of mobile equipment in South Africa, as the merging parties' combined market shares are high. However, these concerns are addressed by the fact that the parties have globally committed to divest of Konecranes' mobile equipment business to a third party (the "Divestiture"). The Commission and the parties have agreed that the Divestiture is a condition to the merger's approval.

The Commission further found that the merger raised employment concerns. The parties and the Commission have agreed to conditions placing a moratorium on any post-merger retrenchments. Konecranes is also required to establish a fund which to benefit its workers who were retrenched in February 2021. The fund can be used by these workers to re skill themselves or to start a small business venture.

### **1.13 K20192822603 (South Africa) Proprietary Limited (Holdco)/ H&I Construction Proprietary Limited (H&I Construction) and Haw & Inglis Civil Engineering Proprietary Limited (HICE)**

The Commission has unconditionally approved the proposed merger whereby Holdco intends to acquire H&I Construction.

HoldCo is a shelf company with no subsidiaries and its sole shareholder is a nominee subsidiary of HICE. Holdco was formed for the purpose of this transaction and does not conduct any business activities.

H&I Construction is a construction firm based in Cape Town with a core focus on national and arterial road building. HICE is an engineering company that invests in the fields of Engineering, Construction, and Infrastructure Development and conducts various activities such as road construction and rehabilitation, and building construction in industrial, commercial residential and institutional construction sectors amongst others.

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 A Neubronner v Eskom**

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

### **2.2 Justice Madiba v York City Tailors and Outfitters**

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

### **2.3 GHM Kolia v Dischem Pharmacy**

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

### **2.4 Vinod Sonnie Sutan v Metropolitan Life and Momentum**

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

**2.5 Anonymous v Metered Taxi drivers situated outside Gautrain stations**

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

**2.6 Dumisani Motshana v Mediclinic Nelspruit**

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

**2.7 Ian Lotter v MTN**

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

**2.8 Racheal Sewraj v CipherWave Home Connect (Pty) Ltd**

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

**2.9 Vani Thembinkosi Sitatu v No Finance Cars**

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

**2.10 Yolanda Welthagen, Palm Treatments (Pty) Ltd Nelspruit, Mpumalanga v Hazyview Health & Wellness run by Ruben Le Grange and Marie Fourche**

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

**2.11 Anonymous v Union of Orthodox Synagogue**

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

**2.12 Bluedust 41 (Pty) Ltd and Twin Cities 364 (Pty) Ltd v Total South Africa Proprietary Limited**

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

**2.13 Joel Moagi Benedict Tumelo Ngwato trading as Pinkies Sorghum Beer Distributors & Projects CC v the Department of Trade, Industry and Competition and United National Breweries**

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

**2.14 Anonymous v Wispeco and Hulamin**

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

**2.15 LH Burmeister v Lisa Joubert owner of Icehaven Pet Food**

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

**2.16 JB Mphaka v Absolute Container (Pty) Ltd**

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

**2.17 Anonymous v Legislation prohibiting importation of secondhand cars in South Africa, The International Trade Administration Act (Act 71 of 2002)**

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

**2.18 Grant Cotterell on behalf of Rio Ridge 1387 (Pty) Ltd and Ropax Investments 10 (Pty) Ltd v Express Petroleum (Pty) Ltd**

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

**2.19 Nomthandazo Zwane v Discovery Insure Ltd, MiWay Insure Ltd and Outsurance**

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 Mr Dent Remover CC t/a Autohail Panelbeaters v Telesure Insurance Group**

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

### **3.2 Flexothene Plastics (Pty) Ltd v SRF Flexipak (SA)**

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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