



competition commission
south africa

Weekly Media Statement

For Immediate Release

01 April 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday 29 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 Okavango Biology Luxembourg SARL (Okavango) / Sonnedix Solar South Africa Holdings Proprietary Limited (Sonnedix)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Okavango intends to acquire Sonnedix, without conditions.

Okavango is a holding company with interests in the renewable energy industry and is focused on investment into renewable energy projects in Africa and more specifically has invested significantly into Projects within the Renewable Energy Independent Power Producer Procurement Programme (“REIPPPP”) in South Africa. Okavango holds the entire issued share capital of BioTherm Energy Proprietary Limited (“BioTherm Energy”).

Sonnedix, through its investment in Mulilo Sonnedix Prieska PV (RF) Proprietary Limited (“MSP”), is engaged in the development, construction, and operation of solar energy projects. Sonnedix is a subsidiary of a wider group of companies (the “Sonnedix Group”) that is ultimately owned and controlled by IIF Int’l Holding L.P. (“Int’l Holding”), which has its limited partnership interests owned indirectly by passive limited partners and its general partnership interest owned by IIF Int’l Holding GP LLC (“the GP”). The GP is managed by a Board of Directors, which is

comprised of the same individuals who are also Members of the GP. Int'l Holding is part of the Infrastructure Investments Fund (IIF), an open-ended private investment vehicle. The Sonnedix Group develops, builds, owns, and operates Solar power plants across OECD 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.

1.2 Super Group Dealerships (Super Group Dealerships), a division of Super Group Trading (Pty) Ltd (Super Group) / A Business of Fiat Alfa Jeep in Arnold Chatz Cars Constantia Kloof (Pty) Ltd (“Target Business”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Super Group Dealerships intends to acquire fixed assets, all intellectual property, all inventory and other assets of the Target Business, without conditions.

Super Group is publicly listed on the Johannesburg Securities Exchange. Super Group controls various subsidiaries active in logistics, transportation, warehousing and dealership businesses. Super Group Dealerships does not control any other firm.

The Target Business is comprised of (i) fixed assets (including property, furniture, fittings, workshop equipment, computer hardware and licenses to use all computer software, company vehicles, stock of used spare parts, fixtures and fittings and specialised tools) (ii) intellectual property, (iii) all inventory, including new vehicles, used vehicles, stock of new spare parts, stock consumable (iv) and all other assets owned and/or used in the operation of the business known as Arnold Chatz Cars.

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 QSA Holdings Limited (QSA Holdings)/ Southern Proteins Proprietary Limited (Southern Proteins)

The Commission has unconditionally approved the proposed merger whereby QSA Holdings intends to acquire Southern Proteins.

QSA Holdings is a company incorporated in Luxembourg. QSA Holdings is not controlled by any individual firm. QSA Holdings controls Southland Foods Proprietary Limited (“Southland”) and Q-Pak Proprietary Limited (“Q Pak”). In addition, QSA Holdings jointly controls Afrique Pet Food Proprietary Limited (“Afrique”) with Philafrica.

QSA Holdings trades through Afrique, Southland Foods and Q Pak.

Afrique is a manufacturer and supplier of dry cat and dog food, which it sells under the brand names: (i) Epol; (ii) JOCK; and (iii) Vitagen. Afrique also contract manufactures dry cat and dog food for third parties. Afrique procures protein-based inputs from Southern Proteins for use in the production of its pet food products.

Southland Foods is a property holding company specialising in the development and letting of multi-temperature warehouses and distribution centres (i.e., cold storage warehouses). Southland Foods rents out its facilities to various tenants which, in turn, run and operate them.

Q Pak is a frozen foods manufacturing business. It produces predominantly frozen burgers for the retail and wholesale markets in South Africa, as well as quick-service restaurants. Q Pak's range of products includes beef burgers, lamb burgers, flavoured burgers, vegetable burgers, Halaal brisket bacon.

Southern Proteins uses animal by-products from the poultry sector to produce protein-based animal products such as bone meal, carcass meal, blood meal and poultry oil. The protein-based products produced by Southern Proteins are used in the production of animal feed such as pet food or feed for animals in the dairy, pork, and poultry 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 Moody's Group Cyprus Limited (Moody's Cyprus) / Global Credit Rating Company Limited (GCR)

The Commission has approved the proposed merger whereby Moody's Cyprus intends to acquire GCR without conditions.

Moody's Group is a globally integrated risk assessment firm, headquartered in New York. Moody's Group has two key operating divisions: Moody's Investors Service (MIS) and Moody's Analytics (MA).

MIS - is primarily active in the provision of credit ratings. MIS provides investors with credit ratings, risk analysis, and research for stocks, bonds, and government entities.

MA - is active in the provision of research solutions and consulting, training, and software services. MA develops software and tools to help capital markets with risk management, credit analysis, and economic research.

In South Africa, the MIS and MA divisions provide their services through (i) MIS South Africa and (ii) Bureau Van Dijk, which provide the above-mentioned services.

The GCR Group was founded in 1996 and is an African credit rating agency (CRA). It currently has its head office in Mauritius and operates in more than 27 countries across Africa and is licensed as a rating agency in several markets, including South Africa, Kenya, Nigeria, Senegal, and Mauritius.

The GCR Group provides credit ratings, research solutions and certain non-credit rating services to African customers (including financial analyses and methodologies solutions) across a range of sectors, including corporates, banks and other financial institutions, asset managers and insurance providers. The GCR Group provides national scale ratings to various companies across a spectrum of industries.

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

The proposed transaction does not raise any public interest concerns. The merging parties have also made various public interest commitment related to employment, skills transfer and transformation.

1.5 14th Avenue Investments Proprietary Limited (previously Rondebosch Property Investments Proprietary Limited) (14th Avenue Investments) / Acucap Investments Proprietary Limited (Acucap Investments) in respect of the property letting enterprise known as 14th Avenue Hyper (14th Avenue Hyper)

The Commission has unconditionally approved the proposed merger whereby 14th Avenue Investments intends to acquire 14th Avenue Hyper from Acucap Investments.

The acquiring group owns several properties including retail properties, amongst others.

Acucap Investments in respect of the property letting enterprise known as 14th Avenue Hyper. 14th Avenue Hyper is a community centre situated at 235 Golf Club Terrace, Constantia Kloof, Roodepoort, Gauteng, comprising of rentable retail space.

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 Oxicom Limited (Oxicom)/ Blackstar Holdings Group (Pty) Ltd (BHG)

The Commission has unconditionally approved the proposed merger whereby Oxicom intends to acquire the BHG.

Oxicom is directly controlled as to 50% by TIH (Mauritius) Limited (“TIH Mauritius”). TIH Mauritius is jointly controlled by two individuals. The remaining 50% shareholding in Oxicom is held by a few trusts. Oxicom, TIH Mauritius and all its subsidiaries and the firms controlling it are collectively referred to as the Acquiring Group.

Oxicom is a newly established company incorporated for the purpose of the proposed transaction and has not conducted any business since its incorporation. TIH Mauritius does not have any interests in any other businesses other than interest in Oxicom. The ultimate joint controllers of Oxicom are natural persons and hold various interests through Tiso. The business activities of these Tiso interests include, a fund management firm, a management and technology consulting firm, an investment holding company, a credit provider, a members’ club and firms which assist with the financing and management of small and mediums firms.

BHG is an investment holding company whose subsidiaries provide services including retail advertising production systems and related database management, development and retail print; the distribution and content via print, online assets and other platforms; the preparation or design and layout, general photography; the capture of content, archiving and digital management of data relating to advertising information and promotional trends; the management of digital images for use in various forms of media including printing; and integration into retailer systems and the development and implementation of process management and automation systems.

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 Vantage Mezzanine Fund II (VMF II Partnership) / Cedar Park Properties 39 (Pty) Ltd (Cedar Park Properties)

The Commission has conditionally approved the proposed merger whereby VMF II Partnership intends to acquire Cedar Park Properties.

VMF II Partnership and all the firms they control shall be referred to as the “Acquiring Group”.

The Acquiring Group is a global mezzanine funder, which in essence entails alternative sources of financing where traditional banks are not willing to lend and wherein shareholders lack cash

equity to invest into their respective business. Mezzanine funding is predominantly in the form of debt and, to a lesser extent, equity.

Cedar Park Properties owns a mixed-use property adjacent to and above the Sandton Gautrain property known as “Kgoro Central”. Kgoro Central currently comprises of two phases, the first phase being two floors above ground level comprising of a parking bay and street front retail space which has been developed. The second (undeveloped) phase has mixed use development rights (residential, retail, office, entertainment and other amenities).

The Commission found that Cedar Park Properties had committed to certain B-BBEE Targets with the City of Johannesburg when Cedar Park assumed ownership of Kgoro Central. The said B-BBEE Targets were to be implemented during the development of Kgoro Central. The said B-BBEE Targets required a potential purchaser to attain a minimum score of not less than 70% in respect of the following B-BBEE elements: (i) ownership and control (50%); (ii) procurement (23%); (iii) Investment in under privileged areas (12%); (iv) enterprise development (6%); (v) skills development 5% and (vi) employment equity 3%.

To date, the B-BBEE Targets have not been realised as Cedar Park has failed to develop Kgoro Central. The Commission is of the view that the B-BBEE Targets constitute important public interest objectives which the Commission has an obligation to advance.

Given that Kgoro Central is under the custodianship of the Cedar Park Liquidators pre- and post-merger notwithstanding the Merger, VMF will have no de facto control over, and will not be the seller of Kgoro Central when it is sold in liquidation to a third party. In order to provide the Commission with an opportunity to assert its jurisdiction over any on-sale of Cedar Park and/ or Kgoro Central, including an assessment of the appropriate public interest factors, the Commission has requested VMF to advise the Commission, in writing, when it becomes aware of any impending sale of Cedar Park and/or Kgoro Central to any third-party purchaser. VMF has agreed to this being made a condition of the approval for the Merger.

1.8 Nodus Equity Proprietary Limited (Nodus Equity)/ New Seasons Investment Fund Proprietary Limited (NSIF)

The Commission has unconditionally approved the proposed merger whereby Nodus Equity intends to acquire NSIF.

Nodus Equity is an investment holding company.

NSIF is an open-ended private equity holding company, with investments that comprise unlisted firms and one listed firm. These investment companies operate in a number of sectors, including packaging, fast-moving-consumer goods, logistics and security services.

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 Den Braven SA (Pty) Ltd (DBSA)/ Permo seal (Pty) Ltd (Permo seal)

The Commission has conditionally approved the proposed merger whereby DBSA intends to acquire Permoséal.

The Commission found that the proposed transaction is not likely to result in a substantial prevention or lessening of competition in any market.

The Commission however found that the proposed merger raises certain public interest concerns. In order to address the public interest concerns arising from the proposed transaction, both the Commission and the merging parties agreed to the following conditions:

1. The merged entity shall not retrench any employees as a result of the merger, for a period of 3 (three) years.
2. The merged entity shall maintain its pre-merger headcount by at least a period of 1 (one) year.
3. Further, the merged entity has confirmed that, in the event that the merged entity embarks on retrenchment street, it will inform the Commission, including those retrenchments that the merging parties may deem operationally related, for a period of 3 (three) years post-merger.
4. The merging parties will also set up an employee share scheme for the benefit of its employees.
5. Lastly, the merger parties have agreed to increase their current spend on training and enterprise development.

1.10 LSF XI Magpie Bidco SRL (LSF XI)/ Manuchar NV (Manuchar)

The Commission has unconditionally approved the proposed merger whereby LSF XI intends to acquire Manuchar.

In South Africa, the Acquiring Group owns and controls (i) Ceramitec South Africa (Pty) Ltd and MB Construction Chemicals South Africa (Pty) Ltd. Further, the Acquiring Group generates revenue from South Africa via its international firms' subsidiaries, namely, Evoca SPA and Balta Industries NV.

The Acquiring Group invests globally in real estate, equity, credit, and other financial assets. In South Africa, it operates through:

- a) Ceramitech – a subsidiary of Altadia, within the Acquiring Group, which sells Frits & Glazes, Glaze Stains, Ceramic Inks and Raw Materials.

- b) MB Construction Chemicals – a subsidiary of MBCC within the Acquiring Group, which sells construction materials.
- c) Evoca – sells directly finished products, accessories, spare parts for coffee machines for the Hotel, Restaurant and Café market.
- d) Balta – is active in the manufacturing and sales of rugs, carpet (Broadloom and Tiles) and (to a small extent) non-woven textiles.

The Manuchar Group is an international distributor of chemicals across emerging markets and actively trades several commodities. Its end-to-end chemical distribution business serves various industries including home care, personal care, food and feed, agriculture, mining, oil and gas, glass, textiles, paper, and water treatment. Its international trade activities cover steel, plastics, cement, wood, paper, spare parts, and pharmaceuticals.

In South Africa, the Manuchar Group distributes chemicals such as chiefly sodium sulphate, soda ash, sodium bicarbonate, and zeolite. It also owns real estate in South Africa, which comprise of two concessional warehouses in Durban.

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 The Gowest Trust (Gowest Trust)/ Trade Imports and Exports Proprietary Limited (Tradimex)

The Commission has unconditionally approved the proposed merger whereby Gowest Trust intends to acquire Tradimex.

The Gowest trust is an investment trust, and as such it does not conduct any business itself.

Tradimex is a trading company specializing in the sale of fuel products to customers situated outside of South Africa. Tradimex acquires fuel products from suppliers located outside of South Africa, and then sells the products to its customers located outside of South Africa. The fuel products do not enter or exit South Africa at any time in this 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.

1.12 Simply SA Wholesalers Proprietary Limited (Simply SA Wholesalers)/ Springs Liquor Cash and Carry (Springs Liquor)

The Commission has unconditionally approved the proposed merger whereby Simply SA intends to acquire Springs Liquor from Massmart Holdings Limited.

Simply SA Wholesalers is a retail and wholesale liquor and consumer goods store, with three stores that are located in Boksburg and Germiston (in Gauteng Province) as well as Komatipoort (in Mpumalanga Province). The goods sold in these stores include major liquor brands, food brands and household goods.

Springs Liquor sells liquor and other associated products both to retail and wholesale customers. The products sold include beers, spirits alcoholic fruit beverages non-alcoholic beverages, tobacco a variety of carbonated drinks, a variety of snacks and liquor accessories such as shot glasses etc.

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.

1.13 Lonsa Everite Proprietary Limited (Lonsa Everite)/ Swartland Investments Proprietary Limited (Swartland Investment), Swartland Insulation Proprietary Limited (Swartland Insulation) and The Target Properties as more fully described in the schedules to the form CC4(1)

The Commission has unconditionally approved the proposed merger whereby Lonsa Everite intends to acquire Swartland Investment, Swartland Insulation and the Target Properties, collectively referred to as the Target Businesses.

Lonsa Everite, Lonsa Group and Legacy Africa Fund will collectively be referred to as the Acquiring Group.

In South Africa, the Acquiring Group is active in the (i) manufacture and supply of building materials. This includes, amongst others, fibre cement and autoclave aerated concrete building products and other complementary traded goods, and (ii) the mining and supply of single, washed silica and plaster sand. Further, the Acquiring Group also has investments in the property sector in South Africa through Firstmile Properties. Firstmile Properties is a property investment and development company. It has several state tenanted commercial buildings across South Africa and Zimbabwe. It is also a provider of affordable housing and owns and operates numerous residential developments situated in the Gauteng province.

The Target Businesses is also involved in the manufacture and supply of building materials. The Target Businesses primarily to the manufacture, sale or trade of doors, windows, automated garage doors and insulation products. In addition, the Target Businesses derives some revenue

from a residential property in Boskor (located in the Eastern Cape). The Target Properties comprise a number of properties including a combination of industrial, vacant, and agricultural land which are primarily used for the Target Businesses operations.

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.

1.14 Stargems Holdings DMCC (Stargems)/ Jagersfontein Holdings S.a r. l (Jagersfontein), Rooipoort Holdings S.a r. l (Rooipoort)

The Commission has unconditionally approved the proposed merger whereby Stargems intends to acquire Jagersfontein and Rooipoort.

Stargems and all the firms it controls, shall be referred to as the “Acquiring Group”.

The Acquiring Group is active in different levels of the diamond value chain through their various subsidiaries. In particular, the Acquiring Group is active in (i) the sale of rough diamonds; (ii) the manufacturing of rough diamonds to polished and cut diamonds; (iii) the sale of polished diamonds (iv) the wholesale and retail of jewellery. In South Africa the Acquiring Group is only active in the production of rough diamonds to polished and cut diamonds.

Jagersfontein and Rooipoort and all the firms that they control shall interchangeably be referred to as the Target Group and/or Target Firms.

The Target Group is active in the mining of diamonds through the Jagersfontein mine situated in the Free State (“Jagersfontein Mine”) as well as the Rooipoort mine in Kimberly (“Rooipoort Mine”). Additionally, the Target Group trades the mined rough diamonds through tenders and auctions in Antwerp (Belgium) and Johannesburg.

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.

1.15 Sampada Shopping Centre Proprietary Limited (Sampada Shopping Centre)/ Rosehip Properties 16 Proprietary Limited in respect of the remaining 50% shares in the letting enterprise known as Bambanani Shopping Centre (Rosehip Properties 16)

The Commission has unconditionally approved the proposed merger whereby Sampada Shopping Centre acquired Rosehip Properties 16.

Sampada Shopping Centre is part of the Sampada Group which is a private equity investment group that invests in retail property, tourism and leisure properties, agriculture, and short-term finance.

The target property, Bambanani Shopping Centre, is a retail community centre situated at the corner of the R114 and Apple Street, in Diepsloot, Gauteng province. It comprises rentable retail space. The centre consists of anchor tenants Shoprite, OBC and Cashbuild 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.

1.16 Tetrad Investment Projects Pty Ltd (TIP)/ International Mining and Dredging Holdings Pty Ltd (IMDH SA)

The Commission has unconditionally approved the proposed merger whereby TIP intends to acquire IMDH SA.

TIP is jointly controlled by Cream Magenta 140 Proprietary Limited (“Cream Magenta”); Metcap 14 Proprietary Limited (“Metcap”); Astoria Investments Limited (“Astoria Investments”); and Eight Alps Proprietary Limited (“Eight Alps”). Cream Magenta, Metcap, Astoria Investments and Eight Alps also jointly control Trans Hex Group (Pty) Limited (“Trans Hex”). TIP, Trans Hex, and the firms that control TIP shall be referred to as (“the Acquiring Group”)

The Acquiring Group through Trans Hex is active in the mining and exploration of rough diamonds in South Africa and Angola. In South Africa, the Acquiring Group’s diamond mining operations are undertaken through De Punt mining operation. The De Punt mining operations are based in the Western Coast and involves shallow water concessions which are mined and prospected by contracted sea vessels, shallow water shore-units and beach-mining units. The majority of these contractors are derived from the surrounding local communities and the boats are based at Lamberts Bay and Doring Bay.

IMDH SA and its subsidiaries are collectively referred to as (“the Target Group”)

The Target Group firm is a mining and exploration company focusing on the mining of rough diamonds. In South Africa, the Target Group has mining rights in the sea concession area 2C and 3C which are located along the North-Western Coast of South Africa in the magisterial district of Namaqualand, Northern Cape Province.

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 Thabiso Seabelo v Takealot Company

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

2.2 Ray Neethling v Ford Motor Company of SA

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

2.3 Certified Government Accountants of South Africa (CGASA) v Auditor General of South Africa (AGSA)

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

2.4 DB Fine Chemicals (Pty) Ltd and DB Fine Specialities (Pty) Ltd v Nedbank Ltd

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

2.5 Pieter Cornelius van Zyl on behalf of Luxury Travel Merchant (Pty) Ltd v Priority Escapes Tour Operator

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

2.6 Evrigard (Pty) Ltd and Rondo (Pty) Ltd v Select PPE (Pty) Ltd, NLG Gloves (Pty) Ltd and Petrus Pieterse

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

2.7 Albert Badenhorst v Crisp Fibre (Pty) Ltd

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

2.8 Zululand Oil & Gas Holding Limited v The Petroleum Oil & Gas Corporation of South Africa (SOC) Ltd (PetroSA)

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

2.9 Stephen Kessel on behalf of Collision Repairers Association of South Africa v Various insurers

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]

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