



competition commission
south africa

Weekly Media Statement

For Immediate Release

05 May 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday 26 April 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 CFAO Motors South Africa (Pty) Ltd (CFAO Motors)/ William Simpson Cars (Pty) Ltd (William Simpson Cars)

The Commission has recommended that the Tribunal approve the proposed transaction whereby CFAO Motors intends to acquire William Simpson Cars, without conditions.

CFAO Motors, CFAO Holdings, and all the firms controlled by CFAO Holdings shall be referred to as the “Acquiring Group”.

The Acquiring Group is active in the distribution of pharmaceutical products and the retailing of motor vehicles. Relevant to the proposed merger are the activities of the Acquiring Group in the retail motor industry which include the (i) sale of new and pre-used vehicles; (ii) sale of parts and accessories and (iii) aftermarket services; through their franchised dealerships in South Africa. The CFAO franchised dealerships sell (i) new passenger vehicles (“PVs”); (ii) new light commercial vehicles (“LCV”); (iii) pre-used PVs and (iv) pre-used LCVs. Their product offering also includes new and used medium commercial vehicles and heavy vehicles. The Acquiring Group sells a range of Original Equipment Maker (“OEM”) brands such as Audi, BMW, Ford, Hino, Honda, Kia, Lexus, Mercedes Benz, Mini, Nissan, Renault, Subaru, Mitsubishi, Toyota and Volkswagen across South Africa.

The primary target firm is William Simpson Cars. William Simpson Cars shall be referred to as the “Target Firm”.

The Target Firm is active in the retail motor industry through its Nissan dealership in Cape Town. The dealership sells new and pre-used LCVs and PVs. In addition, the Target Firm sells parts and accessories and also provides aftermarket 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.

1.2 Project Oxygen Bidco Proprietary Limited (OMPE Bidco)/ Long4Life Limited (L4L)

The Commission has recommended that the Tribunal approve the proposed transaction whereby OMPE Bidco intends to acquire L4L, without conditions.

OMPE Bidco is ultimately controlled by Old Mutual Limited. OMPE Bidco, Old Mutual Limited and all firms they directly and indirectly control are referred to “Acquiring Group”.

The Acquiring Group is an international long-term savings, insurance, banking and investment group, offering a range of financial products and services. The only Acquiring Group businesses relevant for assessment of the proposed transaction, are its underlying interests in companies involved in the supply of certain footwear, apparel and equipment.

The Acquiring Group retails speciality technical golf and cycling footwear, apparel and equipment. The Acquiring Group is also engaged in the supply of lifestyle footwear and to a very limited extent some performance and outdoor footwear.

L4L and all firms under its control are collectively referred to as the “Target Group”.

The Target Group is an investment holding company primarily focused on acquiring equity interests in businesses within the broader “lifestyle” category of consumer facing enterprises. L4L currently operates through its three core divisions: (i) sport and recreation; (ii) beverages; and (iii) personal care and wellness.

The Target Group is a lifestyle-themed investment holding company invested in a portfolio of assets. Of relevance for purposes of this transaction, are the Target Group's underlying assets engaged in the supply of certain sports footwear, apparel and equipment as well as the supply of beverage contract packing services. The Target Group also sells an array of outdoor, camping and recreational apparel, footwear and equipment.

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 Letsema Holdings Proprietary Limited (Letsema)/ Risk Benefit Investment Holdings Proprietary Limited (Risk Benefit)

The Commission has unconditionally approved the proposed merger whereby Letsema intends to acquire Risk Benefit.

Letsema is a professional services firm at the heart of a diversified long term investment company. Letsema does not hold any interest in any entity that operates within the insurance intermediary industry that provides both life and non-life insurance products.

Risk Benefit is an entity in the insurance intermediary industry whose core services include the provision of short-term insurance, life insurance and financial 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.

1.4 Vergelegen Property Investments Proprietary Limited (VPI)/ Vergelegen Plein a rental enterprise conducted by Shoprite Checkers (Pty) Ltd (Shoprite)

The Commission has unconditionally approved the proposed merger whereby VPI intends to acquire Vergelegen Plein from Shoprite.

VPI is an investment holding company that is active in the markets for the investment and development of retail property. The Acquiring Group's property portfolio comprise of properties consisting of industrial, office, residential and retail properties. The respective properties are situated across Gauteng, Free State, KwaZulu Natal, Eastern Cape, Western Cape, and Northern Cape.

Vergelegen Plein is active in the market for the letting of retail space in Somerset West, Western Cape. Vergelegen Plein is a neighbourhood centre.

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 Discovery Purchaser Corporation (Discovery)/ Certain Parts Of The Environmental Science Business (the Target Business) Of Bayer Aktiengesellschaft (Bayer)

The Commission has unconditionally approved the proposed merger whereby Discovery intends to acquire the Target Business from Bayer.

Discovery is a special purpose vehicle (“SPV”) established for the purposes of the transaction notified and is solely controlled by funds managed by Cinven Capital Management (VII) General Partner Limited (“Cinven”) together with its associated companies and the funds managed and advised by them. The SPV has no activities in South Africa or globally.

Cinven is a private equity business which is engaged in the provision of investment management and advisory services to investment funds.

The Target Business is active in the environmental science business, in particular in the development and commercialisation of weed, disease and pest control products for non-agricultural applications, such as vector control, professional pest management, forestry, industrial vegetation management, rangelands & pasture management and turf and ornamentals, and certain parts thereof. In addition, the activities of the Target Business comprise related services, such as marketing and packaging. The Target Business's global activities are focussed on the development and commercialisation of the product classes: (i) fungicides, (ii) insecticides, (iii) herbicides and (iv) rodenticides. The Target Business has no active subsidiaries 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.

2. COMPLAINTS (NON-REFERRALS)

2.1 Olivia Colville on behalf of House of Supreme v American Shutters

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

2.2 Jan-Botha Van Wyk v Telpro Management : Owner: Hugh (Bob) Glenister

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

2.3 Dr Tumelo Moyaba v Managed Healthcare

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

2.4 Elizabeth Moyo v Bracken High School

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

2.5 Kate Elliott v Market Toyota Culemborg

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

2.6 Jan Gertenbach v Audi South Africa

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

2.7 Melissa Samuels v Shelley

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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