



competition commission
south africa

Media Statement

For Immediate Release

22 July 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Thursday 19 July 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 Bidvest Commercial Products Proprietary Limited (“BCP”)/ A Square Equipment Proprietary/ Limited (“A Square Equipment”)/ A Square Forklifts Proprietary Limited (“A Square Forklifts”)/ A Square Solutions Proprietary Limited (“A Square Solutions”)/ Chase Technologies Proprietary Limited (“Chase Technologies”), (collectively “the A Square Group”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby BCP intends to acquire the A Square Group, without conditions.

BCP, the Acquiring Firm, is ultimately controlled by The Bidvest Group Limited. BCP controls various entities but of relevance to the proposed transaction is that BCP controls Bidvest Materials Handling Proprietary Limited (“BMH”).

BMH is an importer and distributor of motorised materials handling equipment (sales and rental of both new and second-hand diesel, electric and gas-powered counterbalanced forklifts) as well as a supplier of related spare parts and maintenance services.

The A Square Group is the Target Firm. The A Square Group is involved in the importation, sale and rental of motorised material handling equipment, with a primary focus on the rental of electric-powered counterbalanced forklifts, as well as the supply of maintenance services and related spare parts including traction batteries.

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 Futuregrowth Asset Management Proprietary Limited ("Futuregrowth"), acting as an agent for Old Mutual Life Assurance Company (South Africa) Limited ("OMLACSA")/ Fruitone Holdings Proprietary Limited ("Fruitone")

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby Futuregrowth intends to acquire 18.75% share capital in Fruitone, without conditions.

Futuregrowth is wholly owned by Old Mutual Investment Group Holdings Proprietary Limited ("OMIG"). OMIG is a wholly owned subsidiary of Old Mutual Emerging Markets Proprietary Limited ("OMEM"). OMEM is in turn wholly owned by Old Mutual Group Holdings (SA) Limited ("OMSA"), which is in turn wholly owned by Old Mutual Limited ("OM"). OM is the Acquiring Group.

Futuregrowth is a specialist asset management company in South Africa operating within the Acquiring Group. The company offers third-party fiduciary agency portfolio management services to individuals and institutions in South Africa. One of the funds in the portfolio of funds managed by Futuregrowth is the Futuregrowth Agri-Fund ("Agri-Fund"), which specializes in the investment of agricultural land, biological assets, agriculture infrastructure and other related farming implements. The Agri-Fund's investments are in the actual farmland and infrastructure, which is leased to an approved operator to manage and run the farm.

Fruitone is wholly owned by Boyes Group Holdings Proprietary Limited ("Holdco") which is in turn owned by various trusts. Fruitone is the Target Firm and is active in the South African citrus cultivation and export market as a grower-exporter.

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 JF Mouton Familietrust ("the JF Trust")/ PSG Group Limited ("PSG")

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby the JF Trust intends to increase its shareholding in PSG from 20.2% to 58.4%, with conditions.

The primary acquiring firm is JF Trust. JF Trust and all firms controlled by it are collectively referred to as the "Acquiring Group".

The Acquiring Group constitutes a list of six companies that are investment holding companies. The Acquiring Group's investment portfolio focus is on financial services, banking, and education. The JF Trust is also active in agriculture on its own as well as investing in a firm that is active in agriculture.

The primary target firm is PSG. PSG is not directly or indirectly controlled by any firm. PSG controls several firms including the following: PSG Financial Services Limited; PSG Corporate Services (Pty) Ltd; Sideling Hill Properties (Pty) Ltd; PSG Fundco (Pty) Ltd; PSG Capital (Pty) Ltd; and PSG Alpha Investments (Pty) Ltd. PSG holds shares in the following companies: (i) PSG Konsult; (ii) Curro; (iii) Kaap Agri; (iv) CA Sales; (v) Stadio and PSG Alpha. These companies will be unbundled by PSG following the implementation of the proposed merger.

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 found that the proposed transaction might result in employment concerns. To remedy these concerns the Commission and the parties agreed to a condition that merging parties will not retrench any employees, other than the affected employees, as a result of the proposed transaction for 2 (two) years from the implementation date of the proposed transaction. The Commission further found that the proposed transaction does not raise any other public interest concerns.

1.4 Strategic Fuel Fund Association NPC (“SFF”)/ bp Southern Africa Ltd in respect of Cape Town Terminal (“Cape Town Terminal”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby SFF intends to acquire 50% interest in the Cape Town Terminal, without conditions.

The Acquiring Firm is the SFF, a wholly owned subsidiary of Central Energy Fund (SOC) Ltd (“CEF”). The CEF is a Schedule 2 state-owned entity which reports to the Department of Mineral Resources and Energy.

SFF is responsible for the storage and management of government and privately-owned stocks of crude oil. The SFF operates various facilities for the storage of crude oil. The SFF also leases, on a commercial basis to both local and international trading companies, uncommitted crude oil storage capacity not required for strategic stock purposes. Additionally, the SFF also ensures environmental protection against oil pollution.

The CEF’s mandate is to contribute to South Africa’s security of energy supply, and this is achieved through the acquisition, exploitation, and manufacture of appropriate energy solutions (from coal, oil, gas and renewable energy resources) to meet the future energy needs of South Africa, the SADC and the sub-Saharan African regions.

The Target Firm is the Cape Town Terminal. The Cape Town Terminal is located in Montague Gardens, Cape Town and has been constructed on land which is currently owned by bp Southern Africa Ltd (“bpSA”) and has been operated by bpSA for a number of years. bpSA is controlled by bp Global Investments Limited (“bpGIL”).

bpSA produces a range of petroleum products including diesel, petrol, illuminating paraffin, LPG, bitumen, fuel oil and jet fuel which are ultimately sold to retail, commercial and industrial customers in South Africa.

In addition, bpSA services a retail network of branded bp retail service stations. The Cape Town Terminal is used for the purposes of off-loading petrol, diesel, jet fuel and Paraffin (Kerosene) from vessels and via cross pumps from the neighbouring Astron refinery.

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 Sika AG (“Sika”)/ LSF11 Skyscraper Holdco S.a.r.l. (“LSF11 Skyscraper”)

The Commission has approved the proposed transaction whereby Sika acquired LSF11 Skyscraper, without conditions.

The primary acquiring firm is Sika acting through its wholly owned subsidiary Sika International AG, with its headquarters in Switzerland. Sika is not controlled by any firm or any individual shareholder as its shares are widely held. Sika has several subsidiaries globally. In South Africa, Sika operates through Sika Africa (Pty) Ltd. All firms controlled by Sika are hereby collectively referred to as the ‘Acquiring Group’.

The Acquiring Group develops and produces systems and products for bonding, sealing, damping, and reinforcing used in the building sector and motor vehicle manufacturing industries, globally and in South Africa. The Acquiring Group has two production plants in South Africa, situated in Westonaria (Gauteng) and Westmead (KwaZulu Natal). The Acquiring Group also has warehouses and sales offices in major cities across the country, including Durban, Richards Bay (KwaZulu Natal), Port Elizabeth (Eastern Cape), Cape Town (Western Cape), Bloemfontein (Free State) and Johannesburg (Gauteng).

The primary target firm is LSF11 Skyscraper with its headquarters in Germany. LSF11 Skyscraper is controlled by LSF11 Skyscraper Midco 2 S.a.r.l. (“LSF11 Skyscraper Midco 2”), a Luxembourg company. LSF11 Skyscraper is the ultimate parent company of MBCC Group. In South Africa, LSF11 Skyscraper controls MB Construction Chemicals Solutions (SA) (Pty) Ltd (“MBCC SA”). LSF11 Skyscraper and its subsidiaries shall be referred to as the ‘Target Group’.

The Target Group is a global manufacturer and distributor of chemical admixtures and construction systems for new construction, maintenance, repair, and renovation of residential and commercial buildings, as well as large infrastructure projects. The Target Group also specialises in the manufacture of concrete repair and protection systems, performance grouts, waterproofing systems, sealants, performance flooring systems, as well as wood and fire protection products. In South Africa, the Target Group has a production plant in Westonaria (Gauteng). It also has distribution and warehouse plants in Westonaria and Denver, Gauteng.

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 Sappi Southern Africa Proprietary Limited (“Sappi SA”)/ Field and Forest Proprietary Limited

The Commission has approved the proposed transaction whereby Sappi SA acquired Rockvale and Strathaven Plantations, which are currently owned and controlled by Field and Forest Proprietary Limited, without conditions.

The primary acquiring firm is Sappi SA a South African firm. Sappi SA is controlled by Sappi Limited (“Sappi”). Sappi has subsidiaries that conduct business in South Africa, Ireland, Scotland, Germany, Austria, Canada, United States, Belgium, Finland and Sweden.

Sappi SA is a South African subsidiary that is involved in the production of paper, paper pulp, uncoated and commodity paper, dissolving pulp and forestry. Sappi has 394 000 hectares of forestry land of which 257 000 hectares are plantable and 137 000 are set aside for conservation purposes. Sappi’s hardwood volumes are all sold to its mills in KwaZulu – Natal and Mpumalanga.

The primary target firm is Field and Forest Proprietary Limited (“Field & Forest”) with regard to 2 plantations named Rockvale and Strathaven (“Target Plantations”). The Target Plantations are located near High Flats and Ixopo in KwaZulu-Natal.

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 Sampada Shopping Centre (Pty) Ltd (“Sampada”)/ Camstone Property Investment Trust (“Camstone”) (in respect of five properties)

The Commission has approved the proposed transaction whereby Sampada acquired five letting properties from Camstone, without conditions.

Relevant to the proposed transaction, Sampada’s property portfolio consists of retail property (Bambanani Shopping Centre, Tembisa Mega Mart, Nova Africa, Siyabuswa Retail Centre and Bushbuckridge Shopping Centre), residential property (Euphoria Golf & Lifestyle Estate), lodges (Leeuwenhof Country Lodge), vacant land (Bela Bela land), and grade C office space property (Bushbuckridge Shopping Centre).

The Target Properties controlled by Camstone are:

- The Corobrick Property is classified as rentable light industrial space property, located at 205 Corobrick Road in Meadowdale ;
- The Loper Property is classified as rentable light industrial space property, located at 33 Loper Avenue, Spartan, Kempton Park ;
- The Glen Roy Property is classified as rentable grade B office space property, located at 4 Glen Roy Road located in Pinelands, Cape Town;

- The Goodwood Property is classified as rentable retail space property located in Goodwood, Cape Town; and
- the Spartan Property is classified as rentable light industrial space property with grade B office space property located in Eastgate, Sandton.

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 Sandstorm Gold Ltd (“Sandstorm”)/ Nomad Royalty Company Ltd (“Nomad”)

The Commission has approved the proposed transaction whereby Sandstorm acquired Nomad, without conditions.

The primary acquiring firm is Sandstorm. Sandstorm is a public company listed on the Toronto Stock Exchange and is not controlled by any shareholder. The largest shareholders of Sandstorm are Van Eck Associates Corporation; GWL Investment Management Ltd; Horizon Kinetics LLC; Invesco Ltd. and Capital Research and Management Company. Sandstorm controls more than 10 firms globally and does not directly or indirectly control any firms in South Africa.

Sandstorm is active as a custom financing firm to global gold, silver and copper mining companies through royalty and stream metal purchase agreements. Sandstorm has a portfolio of 239 Mining Assets including 29 producing Mining Assets in respect of mines in North America, South America, Africa, Asia and Australia. In South Africa, Sandstorm has 3 Mining Assets, with only 1 being a producing Mining Asset.

The primary target firm is Nomad. Nomad is a public company listed on the Toronto Stock Exchange. Nomad is ultimately controlled by Orion Finance Fund II LLP. The balance of the shareholding in Nomad is widely held by public shareholders and institutional investors. Nomad controls over 5 firms globally, however, does not control any of the firms that they have royalty and/or stream agreements in South Africa. Nomad and all the firms that it controls shall be referred to as the “Target Group”.

The Target Group is active as a custom financing firm to global gold and silver mining companies through stream and royalty agreements. The Target Groups’ portfolio comprises 22 royalty, stream and other assets, of which 8 are currently producing mines. In South Africa, the Target Group has one producing and one non-producing stream mining asset.

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 Elgin Fruit Juices (Pty) Ltd (“Elgin Fruit”)/ Associated Fruit Processors (Pty) Ltd (“Associated Fruit”)

The Commission has approved the proposed transaction whereby Elgin Fruit acquired Associated Fruit without conditions.

Elgin Fruit’s holding company is Two-a-Day Group (Pty) Limited (“Two-a-Day”). Two-a-Day has 64 shareholders who are farmers and is not controlled by a single shareholder. Elgin Fruit does not control any firm. Elgin Fruit and all the firms, directly and indirectly, controlling it will hereinafter collectively be referred to as the “Acquiring Group”.

The Acquiring Group is involved in the production and sale of apple, pear and grape juice concentrates for leading brands of fruit juice, cider and baby food, both locally and internationally. It also produces pomace and aromas on behalf of its shareholders and external fruit producers. The Acquiring Group is also involved in the farming and supply of apples and pears which are inputs in the production of apple juice concentrate, pear juice concentrate and grape juice concentrate.

The Target Firm is Associated Fruit. Associated Fruit is jointly controlled by Appletiser South Africa (Pty) Ltd (“Appletiser”) and Apsap Fruit (Pty) Limited (“Apsap”). Appletiser is controlled by Coca-Cola Beverages South Africa (Pty) Ltd (“Coca-Cola Beverages”). Coca-Cola Beverages is ultimately controlled by The Coca-Cola Company. The Coca-Cola Company is a public company that is listed on the New York Stock Exchange and is not controlled by a single shareholder.

Associated Fruit and all the firms, directly and indirectly, controlling it will hereinafter collectively be referred to as the “Target Group”.

The Target Group is a producer of clear apple concentrate, pear juice concentrate, cloudy apple juice aromas and pomace manufactured from locally sourced fresh fruit. The Target Group’s products are sold in local and international markets to customers in the juice and beverage industries. The Coca-Cola Company, through its subsidiaries, is involved in the production of various beverages which are produced using apple juice concentrate as an input.

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 Anonymous v BMI Coverland

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

2.2 Ms. Carol Faasen v Ford Motor Company of Southern Africa

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

2.3 Mr. Antony Mbele v Sakyno Brother Cash & Carry

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

2.4. Mr EJJ van Der Merwe v Dischem

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

2.5. Mr Charles Young v MTN & CCI

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

2.6. Lulamile Tshitshiba v Africoil Vanderbijlpark

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

3. COMPLAINTS (WITHDRAWALS)**3.1 Anonymous v NWK/ Tau Meule Voere**

The Commission accepted the withdrawal of the complaint.

3.2 Anonymous v Mamamagic, Exposure Marketing, Dis-Chem and Babycity

The Commission accepted the withdrawal of the complaint.

Members of the public can now lodge their complaints by SMS/WhatsApp @084 743 0000

[ENDS]

Issued by:

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