



competition commission
south africa

Media Statement

For Immediate Release

26 August 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Wednesday 24 August 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 K2018366052 (South Africa) (Pty) Ltd/ K2018366028 (South Africa) (Pty) Ltd/ K2018365994 (South Africa) (Pty) Ltd/ K2018365955 (South Africa) (Pty) Ltd/ K2018365895 (South Africa) (Pty) Ltd/ K2019451018 (South Africa) (Pty) Ltd (“Primary Acquiring Firms”)/ Castleview Property Fund Limited (“Castleview”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby the Primary Acquiring Firms intend to acquire Castleview, without conditions.

The Primary Acquiring Firms are controlled by I Group Investments (Pty) Ltd (IGI). IGI is in turn controlled by the I Group Investment Trust (I Trust). The Primary Acquiring Firms, IGI, I Trust, I Trustees and the firms that they control shall be referred to as the Acquiring Group. The Acquiring Group is a property investment firm with a diversified property portfolio comprising retail, industrial, office and residential properties throughout South Africa.

The primary target firm is Castleview. Castleview is controlled by Urban Retail Property Investments 1 (Pty) Ltd (“URPI”). Castleview controls FEC Prop (Pty) Ltd (FEC). FEC owns the following properties:

- the immovable property and rental enterprise which consists of erf no. 3801 and 3536 situated in the Nelson Mandela Metropolitan Municipality (“Pier 14”); and
- the immovable property and rental enterprise which consists of erf no. 33262 situated in the City of Cape Town Metropolitan Municipality (“Cravenby”).

Pier 14 and Cravenby are collectively referred to as the Target Properties. Castleview, FEC and the Target Properties shall collectively be referred to as the Target Group.

The Target Group is a property investment firm which owns two properties situated in the Western Cape and the Eastern Cape. The properties owned by the Target Group are classified as small region centres, local convenience centres and residential property.

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 substantial public interest concerns.

1.2 Sandvik AB (publ) (“Sandvik”)/ Schenck Process Africa Proprietary Limited (“Schenck Process Africa”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby Sandvik intends to acquire Schenck Process Africa, with conditions.

The primary acquiring firm is Sandvik. Sandvik forms part of the wider Sandvik group, which is listed on the Stockholm Stock Exchange. In South Africa, the Sandvik group comprises of numerous firms, including Sandvik Holdings Southern Africa Proprietary Limited, Sandvik Mining RSA Proprietary Limited (“Sandvik Mining RSA”), and Kwatani Proprietary Limited (“Kwatani”), amongst others.

Sandvik is a global engineering group based in Sweden. Globally, Sandvik is active in Manufacturing and Machining Solutions; Sandvik Materials Technology; Sandvik RPS; and Sandvik Mining and Rock Solutions. Relevant to the proposed transaction is the Sandvik RPS business area and more specifically rock and minerals processing solutions for the mining industry. In South Africa, Sandvik RPS operates mainly through Sandvik Mining RSA, which supplies a range of crushing, screening, feeding, breaking, demolition and recycling solutions for the mining and construction industries, as well as through Kwatani, which supplies screening and feeding solutions for the mining industry.

The primary target firm is Schenck Process Africa. Schenck Process Africa is a subsidiary of Schenck Process Holding GmbH, a private company incorporated in Germany. Schenck Process Africa controls Schenck Process South Africa. Schenck Process Africa is active in the manufacture and sale of mining technologies, including vibrating screening and feeding, screening media, train-loading, and chute gates technologies, which are designed primarily for use at mine sites that exploit and pre-process metallic ores and coal (but which may also have utility across other industries), as well as associated spare parts and services (including application support, screen refurbishment, product engineering design and manufacturing, and digital support services). Schenck Process Africa serves a variety of customers in South Africa as well as across Africa including in Angola, Kenya, Mozambique, Mauritania, Tanzania, Uganda, and Zambia. Schenck Process Africa has a production facility in Johannesburg.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. Notwithstanding assurances from the merging parties that the proposed merger will not result in any job losses, the Commission noted that the proposed transaction may result in some job duplications in South Africa. In order to remedy this employment concern, the merging parties have committed to a moratorium on merger-related retrenchments in South Africa.

The Commission further found that the proposed transaction does not raise any substantial public interest concerns.

1.3 Reunert Limited/Etion Centre Proprietary Limited

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby Reunert Applied Electronics Holdings (Pty) Ltd (Reunert Applied Electronics) and together with Reunert Ltd (“Reunert”) intend to acquire Etion Create (Pty) Ltd (Create) from Etion Ltd (Seller), without conditions.

The acquiring firm is Reunert Applied Electronics. Reunert Applied Electronics is a subsidiary of the Reunert Group, which is, in turn, a subsidiary of Reunert, the ultimate parent company within the Reunert Group. Reunert Applied Electronics, Reunert and all the subsidiaries within the Reunert Group will henceforth be referred to as the Acquiring Group.

The Acquiring Group is a multinational industrial group with a portfolio of businesses active in electrical engineering, information communication technology (ICT) and applied electronics sectors. In South Africa, the Acquiring Group operates in applied electronics, electrical engineering, and ICT sectors.

The primary target firm is Create. Create is a wholly owned subsidiary of Etion Ltd. Create is active in the electronic manufacturing services space whereby it acts as an original equipment manufacturer and an own design manufacturer (ODM). Create further designs, manufactures and supports various electronic PC boards and sub-systems on behalf of its clients and it owns intellectual property on some of the designs.

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 substantial public interest concerns.

1.4 Latitude Property Developments Nine Proprietary Limited ("Latitude")/ Immoveable property and retail enterprise known as 'Market Square Grahamstown' ("Target Property")/Capital Propfund Proprietary Limited ("Capital")

The Commission has approved the proposed transaction whereby Latitude acquired the immoveable property and retail enterprise known as the Market Square Grahamstown from Capital, without conditions.

Latitude is a property development company. It owns three properties located in Western Cape and Gauteng.

The primary target firm is the immovable property and rental enterprise known as 'Market Square Shopping Centre', situated at the corner of Beaufort and West Streets, Makhanda, Eastern Cape (Target Property). The Target Property is currently wholly owned by Capital Propfund Proprietary Limited (Capital).

The Target Property is a retail shopping centre located at Corner Beaufort and West Streets, Grahamstown, Eastern 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.

1.5 ContiTech Global Holding Netherlands B.V ("Conti")/ Printing Solutions Sweden Holding AB ("Target Firm")

The Commission has approved the proposed transaction whereby Conti acquired the Target Firm, without conditions.

The primary acquiring firm is Conti, a Dutch company incorporated under the laws of the Netherlands. Conti is an affiliated company of ContiTech AG, a division of Continental, a parent company of the Continental Group, incorporated under the laws of Germany.

The Continental Group is a global automotive supplier, which develops technologies and services for sustainable and connected mobility of people and goods. The Continental Group is divided into three group sectors - automotive, tyres and ContiTech. Relevant to the proposed transaction are Continental Group's activities in its ContiTech's division. The ContiTech division is active in the manufacturing of offset printing blankets and flexo sleeves. The Continental Group sells its offset printing blankets under the brands Conti-Air and Phoenix Xtra Blankets.

The Target Firm is a company incorporated under the laws of Sweden. The Target Firm is controlled by Trelleborg, a company incorporated under the laws of Sweden. The Target Firm does not directly or indirectly control any firms in South Africa.

The Target Firm is involved in the business of printing blankets that are consumables used in offset and digital printing. The Target Firm is active in South Africa through sales made in South Africa by firms controlled by the Target Firm located outside of 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.

[ENDS]

Issued by:

Sipho Ngwema, Head of Communications

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 081 253 8889

Email: SiphoN@compcom.co.za

Find us on the following social media platforms:

Twitter: @CompComSA

Instagram: Competition Commission SA

Facebook, LinkedIn, and YouTube: The Competition Commission South Africa