



competition commission
south africa

Media Statement

For Immediate Release

10 November 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday 08 November 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 Clover S.A. Proprietary Limited ("Clover S.A.")/ Dairy Farmers of South Africa (Pty) Ltd ("DFSA")

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby Clover S.A intends to acquire DFSA, with conditions.

The primary acquiring firm is Clover S.A. Clover S.A. is controlled by Clover Proprietary Limited ("Clover"), which is ultimately controlled by Central Bottling Company Limited, a company incorporated in Israel. In addition to Clover S.A., Clover controls the following firms: The Real Beverage Company (Pty) Ltd; Clover Milkyway (Pty) Ltd; Clover Pride (Pty) Ltd; Clover Waters (Pty) Ltd; Clover Fonterra Ingredients (Pty) Ltd; and Clover Good Hope (Pty) Ltd. Clover and all its subsidiaries including Clover S.A will collectively be referred to as the "Clover Group."

Clover S.A. is a branded consumer goods company active in the food and beverage industry, with subsidiaries in South Africa, Botswana, Namibia, and eSwatini. Its focus is on the manufacturing and supply of dairy products, soy products, olive oil, peanut butter and mayonnaise and the production of non-alcoholic beverages as well as sales, merchandising and distribution of consumer goods. Clover presently operates various manufacturing facilities across Gauteng, the Free State, KwaZulu-Natal, the Eastern Cape and the Western Cape, and has an extensive network of distribution warehouses and fleets throughout South Africa.

The primary target firm is the Milk Procurement Business owned by DFSA. The Milk Procurement Business does not control any firms.

The Milk Procurement Business provides raw milk procurement services to Clover S.A. The Milk Procurement Business procures regular raw milk from milk producers (predominantly located in KwaZulu Natal, Eastern Cape, and the Highveld) which involves, by way of example, (i) buying milk from farmers; (ii) transporting raw milk from farmers to the factories for cooling down (that is, transport and logistics services), (iii) raw milk quality and field services, and (iv) certain administrative, financial and contract management services relating to the collection and supply of regular raw milk procured from producers.

To address employment concerns related to the transaction, the merging parties have agreed to not effect any retrenchments for a period of three years from the approval date. Clover has also committed to making additional investments in training and skills development as well as enterprise development over a 5-year period post-merger. Further, Clover will maintain existing milk procurement contracts with relevant suppliers for a period of five years from the implementation date, provided that the relevant suppliers continue to supply regular raw milk to Clover at market-related prices. Lastly, Clover will make available to its competitors regular raw milk that is surplus to Clover's own requirements at market-related prices.

1.2 Infinity Renewable Energy B.V. (“Infinity Renewable”)/ Lekela Power B.V. (“Lekela Power”) and Actis Sky B.V.

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby Infinity Renewable intends to acquire Lekela Power and Actis Sky B.V., without conditions.

The primary acquiring firm is Infinity Renewable, a private company incorporated in accordance with the laws of Netherlands. Infinity Renewable does not currently control any firms. The proposed transaction will be implemented alongside an internal restructuring that will take place in a number of steps. On completion of these, Infinity Renewable will be wholly owned and controlled by Infinity Power Holdings B.V. (“Infinity Power”). In turn, Infinity Power will be jointly owned and controlled by Infinity Energy and Masdar Egypt B.V. (“Masdar”). Infinity Renewable, Infinity Energy, Masdar, the firms they control, and all the firms controlling them are hereafter collectively referred to as the “Acquiring Group”.

The Acquiring Group, through its various subsidiaries largely provides comprehensive renewable energy solutions to power cities, industries, and homes. More specifically, these include an offering of a wide variety of clean energy solutions across several sectors and on several scales, including solar, wind, and waste-to-energy solutions.

The primary target firms are Actis Sky B.V. and Lekela Power. Actis Sky B.V. is wholly owned and controlled by Actis Sky Limited. Lekela Power is jointly controlled by Actis Sky B.V. and Mainstream Renewable Power Africa Holdings Limited (“Mainstream Renewable”).

The Target Group is primarily active in the generation of renewable power and delivers utility-scale projects that supply clean energy to communities across 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 substantial public interest concerns.

1.3 Nautilus Africa Holdings (Pty) Ltd (“Nautilus”)/ Freedom Won (Pty) Ltd (“Freedom Won”)

The Commission has approved the transaction whereby Nautilus intends to acquire Freedom Won, without conditions.

The primary acquiring firm is Nautilus. Nautilus is controlled by PD International Holdings (“PDIH”). PDIH, Nautilus and all firms they control, shall be referred to as the “Acquiring Group”.

The Acquiring Group is active within the energy sector. In particular, the Acquiring Group is active in the development, production, importation, and sale of low-voltage switchgear products which include circuit breakers, contractors, changeover switches, relays, fuses, and surge protection devices. In addition, the Acquiring Group is also active in the importation and sale of industrial automation equipment which includes programmable logic controllers, human interfaces, and drives and motors.

The target firm is Freedom Won. Freedom Won does not control any firm. Freedom Won shall be referred to as the “Target Firm”.

The Target Firm manufactures, assembles, designs, distributes, imports and sells battery energy storage systems in South Africa which encompass lithium storage batteries and battery inverters for residential, commercial and light industrial users.

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 AURELIUS Investment Lux Seven S.à r.l. (“Lux HoldCo”)/ Sappi Limited c/o Sappi (“Sappi”), Sappi Finland Oy, Sappi Finland Operations Oy, Sappi Maastricht Real Estate B.V., Sappi Maastricht B.V. and Sappi Stockstadt GmbH (hereinafter referred to as the “Target Firms”)

The Commission has approved the transaction whereby Lux HoldCo intends to acquire the Target Firms, without conditions.

The primary acquiring firm is Lux HoldCo, a firm incorporated in accordance with the company laws of Luxembourg. Lux HoldCo forms part of the Aurelius Group.

In South Africa, the Aurelius Group is active in property and manufacture of ground control products to mining and infrastructure customers. The Aurelius Group is also active in the manufacture of pipe couplings, flange adaptors, stepped couplings, dismantling joints, junior couplings, socket joints, steel pipe end caps and steel pipe flanges.

The primary Target Firms are Sappi Finland I Oy, Sappi Finland Operations Oy, Sappi Maastricht Real Estate B.V., Sappi Maastricht B.V. and Sappi Stockstadt GmbH. The Target Firms are indirectly controlled by Sappi.

The Target Firms operate three target mills in Europe - a paper mill in Kirknemi (Finland) a paper mill in Maastricht (Netherlands), and a paper mill in Stockstadt (Germany). The target mills manufacture and supply magazine (or publication) paper (specifically, lightweight, medium weight and ultra-lightweight coated paper), fine (or graphic) paper (specifically, coated and uncoated woodfree paper), and graphic board (specifically, heavy weight coated woodfree graphic board, folding box graphic board, and solid bleached graphic board).

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.

2.COMPLAINTS (NON-REFERRALS)

2.1 Prakash Somaroo v Rajendra Balmakhun Newlyn Investment (Pty) Ltd

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

2.2 Linette Pouwels (Professional Architectural Technologist, Pat20762) v Midstream Estate

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

2.3 Insight Publishing (Pty) Ltd v Sappi Southern Africa Ltd

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

2.4 Hekkie Minnie v New Midas Shop opening in Oudtshoorn soon

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

2.5 Rashaad Kannemeyer on behalf of YourPractiz (Pty) Ltd v City Of Cape Town Municipality and De Caan Administrators

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

2.6 Anonymous v The Hills Game and Lifestyle Estate Pretoria and The Hills Home Owners Association

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

2.7 Lebogang Charmaine Maponya, Pleasant Maphoka (Pty) Ltd T/A Pleasant Waste Management and Senokga (Pty) Ltd v Big Medical Waste Companies, Buhle Waste, Compass Waste, Averda Waste and Clinix

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

2.8 Henry Du Plessis v Highland Gate Golf and Trout Estate - Dullstroom

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

2.9 Henry Du Plessis v Beau Rivage Estate

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

2.10 Paul Nicholson v Nedbank

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

2.11 Steven Siyabonga Ndlovu v Basil Thomas (Hollywood Sportsbook Group – Consultant) and Sue Gager (Hollywood Sportsbook Group – Manager Compliance)

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

2.12 Mark Hardnick on behalf of Marco Hardnick v Bolt Driver named Edson

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

2.13 Darius Naidoo v 1st Corporate Asset Management and Old Mutual

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

2.14 Elrico Adams v Hyperland Devland

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

2.15 Ballito Convenience Centre CC and Mark Jason v Shakas Head Fuels (Pty) Ltd t/a Total Umhlali

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

2.16 Mkhuseleli Trevor Jonas v MTN South Africa

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

2.17 Sameer Sheik Ahmed v Crown Supermarket

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

2.18 Mr. Aubrey Tshabalala v MTN Group Limited and Telkom SA SOC Limited

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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