



competition commission
south africa

Media Statement

For Immediate Release

03 February 2023

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday, 31 January 2023, 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 Growthpoint Student Accommodation Holdings (RF) Ltd (“GSAH”)/ immovable property and letting enterprise known as “Brooklyn Studios” (“Target Property”)/ Feenstra Group Development (Pty) Ltd (“Feenstra”)

The Commission has recommended that the Competition Tribunal (Tribunal) approve the proposed transaction whereby GSAH intends to acquire the Target Property from Feenstra, without conditions.

The primary acquiring firm is GSAH. GSAH is controlled by Paramount Property Fund Ltd, in its capacity as the general partner of the Growthpoint Student Accommodation Management Partnership. Paramount Property Fund is a wholly owned subsidiary of Growthpoint Properties Ltd. Growthpoint is not directly or indirectly controlled by another firm.

GSAH is a real estate investment trust, which invests exclusively in purpose-built student accommodation. GSAH owns nine properties located in Pretoria, Johannesburg, and Cape Town.

The primary target firm is the Target Property. The Target Property is controlled by Feenstra. Feenstra is a wholly owned subsidiary of the Feenstra Group (Pty) Ltd (“Feenstra Group”). Feenstra Group is controlled by the Feenstra Business Trust.

The Target Property, Brooklyn Studios, is a purpose-built student accommodation, situated at 177 Hay Street, Brooklyn, Pretoria. Brooklyn Studios is a newly erected property and, as such, it does not have existing leases.

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 Epiroc Holdings South Africa (Pty) Ltd (“Epiroc Holdings”)/ K2022596519 (South Africa) (Pty) Ltd (“New Aard”)/ Polkadots Properties 117 (Pty) Ltd (“Polkadots”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Epiroc Holdings intends to acquire New Aard and Polkadots, with conditions.

The primary acquiring firm is Epiroc Holdings. Epiroc Holdings is wholly owned by Epiroc Rock Drills AB Sweden (TMGL) (“Epiroc Rock Drills”). Epiroc Rock Drills is, in turn, wholly owned by Epiroc AB Sweden (ACE) (“Epiroc AB”). Epiroc AB and all the firms, directly or indirectly, controlled by it are hereafter collectively referred to as the “Acquiring Group”.

The Acquiring Group is a supplier of rock excavation equipment and mining machinery and provides solutions that increase utilisation and productivity in the mining, natural resources and infrastructure industries. The Acquiring Group develops and produces innovative equipment, consumables and services for use in surface and underground mining, infrastructure, civil works, well-drilling and geotechnical applications. In SA, the Acquiring Group, through Epiroc Holdings and Epiroc SA, is active in the development, manufacturing, marketing and distribution of various equipment for use in several applications which include, among others, mining. Of relevance to the proposed transaction is that the Acquiring Group supplies, among others, drill rigs, bolting rigs and load, haul, dump (LHD) loaders. The Acquiring Group also provides maintenance and support services in respect of the equipment they supply to customers.

The primary target firms are New Aard and Polkadots. New Aard is a newly incorporated firm, without any activities, and is solely intended to acquire Aard. Aard supplies, among others, the mining equipment including LHDs, drill rigs and bolting rigs. Aard provides maintenance and support services for equipment they supply to their customers. Polkadots owns immovable property for the purposes of providing premises to Aard.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. However, the Commission found that the merger does not promote a greater spread of ownership by workers or HDPs. To address this, the merging parties have agreed to implement an employee share ownership plan (ESOP) for the benefit of workers.

1.3 Summit Private Equity Partnership (“Summit”)/Custom Capital Finance Holdings SA Proprietary Limited (“CCF”)

The Commission has unconditionally approved the proposed transaction whereby Summit intends to acquire sole control of CCF.

Summit, all the firms controlling it, and all the firms controlled by those firms will be referred to as the “Acquiring Group”. The Acquiring Group is a private equity firm that invests in sectors such as financial services, healthcare, education, and ICT in South Africa. CCF is a financial services provider. Its activities include rental financing, invoice discounting, and custom cash advances for businesses.

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 merger increases the level of ownership at CCF by historically disadvantaged persons. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.4 Pribav Investment Proprietary Limited (“Pribav”)/ Dynamic Holdings Proprietary Limited (“Dynamic Holdings”)/ Vuna Partners Fund I (“Vuna Fund”)/ Dynamic Bedding Proprietary Limited (“Dynamic Bedding”)

The Commission has approved the proposed transaction whereby Pribav intends to acquire Dynamic Holdings and Vuna Fund intends to acquire Dynamic Bedding, without conditions.

Pribav is a special-purpose vehicle and is wholly owned by Mr. Jasothan Naidu, the chief executive officer of Dynamic Bedding. Vuna Fund is a South African *en commandite* partnership, under the management control of Vuna Partners Proprietary Limited (“Vuna Partners”). Vuna Partners is a private equity firm that has investments in logistics, cans, pails, and aerosol cans used in the paints, lubricants, and chemical industries.

The primary target firms are Dynamic Holdings and its wholly-owned subsidiary, Dynamic Bedding (collectively, the “Target Group”). The Target Group is a manufacturer and retailer of beds and other bedroom-related accessories.

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 merger increases the level of ownership at CCF by historically disadvantaged persons. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.5 K2022659170 (South Africa) Proprietary Limited (“Bidco”)/OneLogix Group Limited (“OneLogix”)

The Commission has approved the proposed transaction whereby Bidco intends to acquire OneLogix, with conditions.

The primary acquiring firm is Bidco, a newly incorporated special-purpose vehicle established for the purposes of implementing the proposed transaction. Bidco does not control any single firm. Bidco, BK

SACo, CVM Investments, and all firms controlled by these firms will hereinafter be referred to as the “Acquiring Group”. Bidco has not conducted any business since its incorporation and does not carry any business activities or trade and is not active in any market. BK SACo and CVM Investments are investment holdings companies and do not have any investments in firms that compete with OneLogix.

The target firm is OneLogix. OneLogix is not controlled by any single firm. OneLogix and the firms it controls will hereinafter be referred to as the “Target Group”. The Target Group offers specialised logistics services. These include: (i) carrying of abnormal loads (for example, vehicle and agricultural equipment transportation), (ii) primary product logistics (for example, transportation of hazardous bulk liquids, movement of commodities and general freight), and (iii) logistics/ other logistics services (for example, clearing and forwarding services and warehousing).

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. To address greater ownership of workers, the merging parties have agreed to establish an ESOP in the primary target firm for the benefit of qualifying workers.

1.6 Trident Steel Africa Proprietary Limited (“TSA”)/Trident Steel, a division of Aveng Africa Proprietary Limited (“ATS”)

The Commission has approved the proposed transaction whereby TSA intends to acquire ATS, with conditions.

The primary acquiring firm, TSA, is a newly incorporated company that does not control any firm. TSA is wholly owned by Trident Steel Holdings Proprietary Limited (“TSH”). TSA and all its direct and indirect shareholders are collectively referred to as the “Acquiring Group”. The Acquiring Group is involved in the provision of professional transaction and corporate advisory and related services; the manufacture and supply of recreational watercraft; the supply of building products/materials to professional contractors within the agricultural and residential building markets; the manufacture and distribution of on-and off-road utility terrain vehicles and power sport vehicles; the provision of property (real estate) development and management services; and the provision of services to designers and homeowners in the custom and luxury home interior market, amongst others.

The primary target firm, ATS, is controlled by Aveng Africa Proprietary Limited (“Aveng Africa”), which is in turn a wholly owned subsidiary of Aveng Limited (“Aveng”). ATS is a division that does not have any subsidiaries and accordingly does not directly or indirectly control any firm. ATS is a steel service centre business that provides steel processing and related services, including platework (including laser, plasma, and oxy gas cutting), structural steelwork, coil processing, tube laser cutting, and other services. Through these operations, ATS produces automotive blanks, special steel, structural and plate steel, and pipe and tube steel products. The majority of ATS’ services are provided to the automotive sector, primarily to original equipment manufacturers. Outside of the automotive sector, ATS provides steel processing

services to produce steel products to the specifications of customers in the rail, mining, energy, and engineering sectors.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in the steel processing market within South Africa. However, in order to promote the greater spread of ownership, the merging parties have agreed to implement a transformation initiative within 12 months of the implementation date.

1.7 Afrimat Limited (“Afrimat”)/ Glenover Phosphate (Pty) Ltd (“Glenover”)

The Commission has approved the proposed transaction whereby Afrimat intends to acquire Glenover, without conditions.

The primary acquiring firm is Afrimat. Afrimat is not controlled by any single shareholder. Afrimat controls more than 50 firms in South Africa. Afrimat and all the firms that it controls shall be referred to as the “Acquiring Group”. The Acquiring Group provides various mining-related services such as drilling and blasting, contract crushing and screening as well as the transportation of bulk materials. Relevant to the assessment of the proposed transaction are the activities of the Acquiring Group relating to the recent production and supply of high-grade organic phosphate, which is used in the production and manufacturing of fertilizers.

The primary target firm is Glenover. The Target Firm is active within the mining sector by virtue of the mining rights to mine apatite, diamonds, phosphate, iron, niobium, and vermiculite. Although the Target Firm has mining rights to mine phosphate, the mine is currently not operational, and the only product sold is stockpiled phosphate rock deposits that were inherited from previous mining operations.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market. The proposed transaction does not raise any substantial public interest concerns.

1.8 Mainstreet 1910 (Pty) Ltd (“Mainstreet”) and E4 Investment Holdings (RF) (Pty) Ltd (“E4”)

The Commission has unconditionally approved Mainstreet’s proposed acquisition of E4.

Mainstreet is a consortium that is ultimately jointly controlled by four historically disadvantaged persons. Mainstreet, all the firms controlling it, and all the firms controlled by those firms will be referred to as the “Acquiring Group”. The Acquiring Group’s activities include supplying materials and consumables to industrial and mining laboratories; importing and distribution of mobile device accessories and low-technology consumer products; internet services; and clothing distribution.

E4 and all the firms it controls specialize in the provision of various niche software and data services primarily in the banking, legal, and property sectors.

The Commission is of the view that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition.

The Commission found that the merger increases the level of ownership at E4 by historically disadvantaged persons. The Commission further found that the proposed transaction does not raise any public interest concerns.

2. COMPLAINTS (NON-REFERRALS)

2.1 Zandile Mfeka v Mangwa Valley Lodge

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

[ENDS]

Issued by:

Siyabulela Makunga, Spokesperson

On behalf of: The Competition Commission of South Africa

Tel: 012 394 3493 / 067 421 9883

Email: SiyabulelaM@compcom.co.za

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