



**Media Statement**

**For Immediate Release**

**17 February 2023**

**STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION**

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday, 14 February 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 Sanlam Emerging Markets Proprietary Limited (“SEM”)/ Allianz Europe B.V. (“Allianz Europe”)/ SAN JV (RF) Proprietary Limited (“SAN JV”)**

The Commission has recommended that the Competition Tribunal (“Tribunal”) approve the proposed transaction whereby SEM and Allianz Europe intend to jointly control SAN JV, with conditions.

The primary acquiring firms are SEM and Allianz Europe. SEM is wholly owned by Sanlam Limited (“Sanlam”) (through Sanlam Life Insurance Limited). Sanlam and its subsidiaries shall be referred to as the “Sanlam Group”. Allianz Europe is controlled by Allianz SE (“Allianz”), a public company incorporated in Germany. Allianz and its subsidiaries shall be referred to as the “Allianz Group”.

The Sanlam Group is an international financial services group comprising several insurers, financial services providers, and other financial institutions in and outside of South Africa, including Santam and Sanlam Life Insurance Limited. Sanlam Limited is listed on the JSE Limited, the Namibian Stock Exchange, and the A2X Markets.

The Allianz Group offers a wide range of life and non-life insurance products to both retail and corporate customers. Most of Allianz’s insurance markets are serviced by local Allianz companies. However, some business lines are run globally via affiliates such as Allianz Global Corporate & Speciality, Allianz Partner SAS, and Euler Hermes SA.

The primary target firm is SAN JV (which shall be known as Sanlam Allianz Africa).

Currently, SAN JV does not provide any products or services directly in South Africa or other countries. Pursuant to the proposed transaction, Sanlam Allianz Africa will operate as a pan-African life and general insurance joint venture between SEM and Allianz Europe. The joint venture will not have any activities in South Africa itself.

The Commission found that the merger may raise potential information exchange concerns in the competing businesses of Allianz and Sanlam which are outside of the joint venture. The Commission has recommended that the Tribunal approve this merger subject to conditions that mitigate the exchange of any competitively sensitive information between the joint venture partners.

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

### **1.2 Cape Town Biogas Proprietary Limited (“CTB”)/ New Horizons Waste to Energy (RF) Proprietary Limited (“NHE”)**

The Commission has recommended that the Tribunal approve the proposed transaction whereby CTB intends to acquire NHE, with conditions.

The primary acquiring firm is CTB. CTB is controlled by Metier Investment and Advisory Services Proprietary Limited (“MIAS”). In South Africa, MIAS controls several firms. CTB is a newly incorporated firm that does not control any other firm. CTB and its controlling entities will be collectively referred to as the “Acquiring Group.”

The Acquiring Group is a private equity fund with a diverse portfolio. Specifically, the Acquiring Group has the mandate to invest in businesses that are engaged in clean and renewable energy projects in Africa.

The primary target firm is NHE. NHE is currently controlled by the Industrial Development Corporation of South Africa Limited. NHE does not control any other firm.

NHE is an anaerobic digestion plant that processes various types of municipal and organic waste streams into an environmentally friendly, renewable energy source called biogas. The biogas is purified by NHE and is split into biomethane (sold as a clean substitute to natural gas) and carbon dioxide (used primarily in the beverage, water treatment, fire suppression, dry ice production, and refrigeration industries).

To promote a greater spread of ownership, the merging parties have undertaken to ensure that a certain percentage of CTB is held by historically disadvantaged persons and to implement an incentive scheme to benefit all qualifying employees.

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

### **1.3 South Bakels Proprietary Limited (“South Bakels”)/ Kerry Orley Foods (a division of Kerry Ingredients South Africa Proprietary Limited) (“Kerry Ingredients”)**

The Commission has approved the proposed transaction whereby South Bakels intends to acquire Kerry Orley Foods, with conditions.

The primary acquiring firm is South Bakels. South Bakels, and the firms controlling it, are collectively referred to as the "Bakels Group".

South Bakels offers a full range of products, raw materials, and expertise to the bakery, patisserie, and chocolate sectors.

The primary target firm is Kerry Orley Foods, a division of Kerry Ingredients. Kerry Ingredients, the firms controlling it, and all firms controlled by it (including Kerry Orley Foods), are collectively referred to as the "Kerry Group".

Kerry Orley Foods is a supplier to the South African bakery industry and provides sweet ingredients for the confectionary, ice cream, beverage, cereal, dairy, and baked goods markets.

The merging parties have agreed to conditions relating to employment, security of supply, skills development, investment, and procurement.

The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in the relevant market. In addition, no further public interest concerns arise from the proposed transaction.

### **1.4 Macmillan South Africa (Pty) Limited (“Macmillan SA”)/ Troupant Publishers (Pty) Limited (“Troupant”)**

The Commission has approved the proposed transaction whereby MacMillan SA intends to acquire the entire issued share capital of Troupant, with conditions.

The primary acquiring firm is Macmillan SA. Macmillan SA is controlled by eSwatini Incorporated, Macmillan Boleswa Publishers (Pty) Ltd, which is in turn controlled by Macmillan Education, UK. Macmillan SA publishes educational content and provides services within the education sector in South Africa for which it publishes textbooks and related educational material, learner support materials, teacher support material as well as educator support materials. Most of the material is in print form, with digital materials only developed recently.

The primary target firm, Troupant, is a wholly owned subsidiary of Van Schaik Bookstore (Pty) Ltd (“Van Schaik”). Van Schaik is controlled by Medu Capital (Pty) Ltd (“Medu”). Medu is a private equity investment firm that is owned by members of its management.

Troupant specialises in publishing textbooks and other learning and teaching resource materials in the post-school technical and vocational education and training (TVET) sector. Troupant’s business involves originating, packaging, and publishing intellectual property in the National Certificate Vocational Qualifications (NCV) and National Qualification Courses (NATED) segments of the TVET sector.

The Commission found that the proposed transaction is unlikely to lead to a substantial prevention and lessening of competition in the affected markets. To promote a greater spread of ownership, the merging parties have however agreed to conditions that ensure that the target firm’s employees are transferred into the existing employee share scheme at Macmillan SA in a timely manner.

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

**[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](mailto:SiyabulelaM@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