



competition commission
south africa

Media Statement

For Immediate Release

03 July 2023

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday, 27 June 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 BidAir Cargo Proprietary Limited (“BidAir”)/ Interloc Freight Services Proprietary Limited (“Interloc”) (the “Proposed Transaction”)

The Commission has recommended that the Competition Tribunal (“Tribunal”) approve the proposed transaction whereby BidAir intends to acquire Interloc, with conditions.

The primary acquiring firm is BidAir. BidAir is ultimately controlled by Bidvest Group Limited (“Bidvest”). Bidvest is a publicly traded firm and is not controlled by any person. BidAir, all the firms controlling it, and all the firms controlled by the firms controlling Bid Air will be referred to as “Bidvest”.

Of relevance to this merger assessment is Bidvest’s logistics activities, specifically the provision of domestic air cargo services between the main cities in South Africa (Johannesburg, Durban, Bloemfontein, East London, Cape Town, George, and Gqeberha) through BidAir. Bidvest is also active in the provision of domestic long-distance road transportation or linehaul logistics services (“linehaul services”).

The primary target firm is Interloc. Interloc’s shares are held by Bridges World Wide Proprietary Limited and a historically disadvantaged individual as contemplated in the Competition Act.

Interloc provides logistics services, namely the consolidation of domestic air freight and domestic road freight in South Africa. Consolidation refers to the service of ‘bundling’ smaller / individual shipments from various courier companies that require delivery to the same destination, into a ‘full’ load.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets.

The Commission found that the merger results in a dilution of ownership by Historically Disadvantaged Persons (HDPs). To promote the greater spread of ownership, Bidvest has agreed to a package of remedies to promote skills development and participation by HDPs (youth in particular) as well as SME / HDP supplier support and enterprise development.

1.2 Auto Industrial Investment Holdings (Pty) Ltd (“AIH”)/ Auto Industrial Group (Pty) Ltd (“AIG”)

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

The primary acquiring firm is AIH. AIH does not control any firms. AIH is jointly controlled by M and M Capital (Pty) Ltd (“MMC”), the Industrial Development Corporation of South Africa Limited (“IDC”), two individuals, management, and an employee trust.

AIH is a newly incorporated entity established for the proposed transaction and has no operations. MMC is an investment holding company that invests in established businesses. Its investment strategy includes investing primarily in South African businesses that are family-owned and founder-run. The IDC mandate is to maximise its development impact through job-rich industrialisation.

The primary target firm is AIG.

AIG is an integrated provider of machining and assembly, ductile and grey iron castings, and hot steel forgings of various automotive components. AIG’s product portfolio includes a broad range of chassis and brake products, including brake discs; steering knuckles; brake drums; hubs; wheel carriers; differential housings; flywheels; pinions; side gears; and complete corner modules. AIG’s customer base comprises automotive original equipment manufacturers (“OEMs”) with vehicle production in South Africa. Among the company’s major customers are the local subsidiaries of BMW, Ford, General Motors, Mercedes, Nissan, Toyota and Volkswagen.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets.

To promote a greater spread of ownership, the merging parties will implement an employee share ownership plan.

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

1.3 Sun Valley Investments Proprietary Limited (“Sun Valley Investments”)/ Sun Valley Mall (“Sun Valley Mall”)/ Shoprite Checkers Proprietary Limited (“Shoprite”) (the “proposed transaction”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Sun Valley Investments intends to acquire the property and all the buildings and structures erected on the property and all its constituent parts which include all the line shops, tenant leases, and service contracts known as the Sun Valley Mall from Shoprite, with conditions.

The primary acquiring firm is Sun Valley Investments. Sun Valley Investments is wholly owned by Heriot Investments Proprietary Limited (“Heriot Investments”). Sun Valley Investments, Heriot Investments, and all the firms it controls will be referred to as the “Acquiring Group”. The Acquiring Group is a property holding and investment company that owns a diversified portfolio of retail, industrial, commercial, and specialised properties in South Africa.

The primary target firm is the property and shopping centre known as the Sun Valley Mall. The Sun Valley Mall is controlled by Shoprite. Shoprite is ultimately controlled by Shoprite Holdings Limited (“Shoprite Holdings”).

The Sun Valley Mall is a community shopping centre located at the corner of Noordhoek Main Road and Buller Louw Boulevard, Sunnydale, Cape Town, in the Western Cape. The Sun Valley contains various retail shops including a Checkers Hyper, Dischem Pharmacy, Virgin Active, Tiger Wheel and Tyre, among other tenants.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets.

To promote a greater spread of ownership, the Acquiring Firm has committed to procuring property maintenance services, such as cleaning, meter reading, hygiene, landscaping, pest control, security, and refuse collection requirements from HDP-owned/controlled suppliers based in Cape Town.

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

1.4 Kalander Ekweiteit Proprietary Limited (“Ekweiteit”)/ Potwil Proprietary Limited (“Potwil”), Pottwee Proprietary Limited (“Pottwee”), Potdrie Proprietary Limited (“Potdrie”), and Potvier Proprietary Limited (“Potvier”) (collectively referred to as the “Target Firms”)

The Commission has recommended that the Tribunal approve the proposed transaction whereby Ekweiteit intends to acquire the Target Firms, without conditions.

The primary acquiring firm, Ekweiteit, is a wholly owned subsidiary of Limietberg Beleggings (RF) (Pty) Ltd (“Beleggings”). Beleggings is jointly controlled by Kalander Kapitaal (Pty) Ltd (“Kapitaal”) and Fynbos Kapitaal Pty Ltd (“Fynbos”). Ekweiteit, Beleggings, Kapitaal, and Kalander Trust are collectively referred to

as the “acquiring group”. The primary acquiring group constitutes companies within an investment holding structure. They do not produce any products or offer any services.

The primary Target Firms are ultimately controlled by Kalander Trust. Ultimately, the Target Firms are jointly owned and controlled by the acquiring group. The Target Firms also do not have any business activities, they are portfolio investment companies.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise substantial public interest concerns.

1.5 Afrihost SP (Pty) Ltd (“Afrihost”)/ Cipherwave Home Connect (Pty) Ltd (“Home Connect”)

The Commission has unconditionally approved the proposed transaction whereby Afrihost intends to acquire Home Connect.

The primary acquiring firm is Afrihost. Afrihost is an internet services provider (“ISP”) that provides various internet-related services, including retail supply of internet access services to residential (Fibre-to-home (“FTTH”)) and small businesses (Fibre-to the Business (“FTTB”)), voice over internet protocol services (“VoIP”), data hosting services and other ancillary services.

The primary target firm is Home Connect. Home Connect is controlled by Cipherwave Networks (Pty) Ltd (“Cipherwave”). Home Connect is an ISP that provides retail internet access services. Home Connect offers these services to home users as well as to a limited number of business customers. Home Connect provides both FTTH and FTTB internet access services as well as prepaid fibre internet.

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 substantial public interest concerns.

1.6 Q-Sol Pharma (Pty) Ltd (Q-Sol)/ Sanofi Industries South Africa (Pty) Ltd (SISA’s)/ Sanofi-Aventis South Africa (Pty) Ltd (SASA’s)

The Commission has unconditionally approved the proposed transaction whereby Q-Sol intends to acquire certain businesses conducted by SISA and SASA.

The primary acquiring firm is ultimately majority owned and controlled by HDPs. Q -Sol and all the firms controlling it and all firms controlled by these firms will be referred to as the “Acquiring Group”.

The Acquiring Group is a pharmaceutical intellectual property and brand owner and a manufacturer of liquids; creams; ointments; and sterile products for supply to the public and private health sectors in South Africa.

SISA and SASA are wholly owned subsidiaries of Sanofi, a *société anonyme* incorporated under the laws of France (“Sanofi”). The Target Business is comprised of a pharmaceuticals manufacturing facility; the inventory, intellectual property and tenders related to the pharmaceutical drugs Phenergan (an antihistamine) and Winthrop Isoniazid (used to treat tuberculosis) in South Africa.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise substantial public interest concerns.

1.7 Volo Group (Pty) Ltd (“Volo”)/ Solar Capital De Aar (RF) (Pty) Ltd (“SCDA”)

The Commission has unconditionally approved the proposed transaction whereby Volvo intends to acquire shares in SCDA from the Public Investment Corporation (SOC) Ltd (“PIC”), representing the Government Employees Pension Fund (“GEPF”).

The primary acquiring firm is Volo. Volo controls Volo G5 (Pty) Ltd (“Volo G5”), Volo Kagiso (Pty) Ltd (“Volo Kagiso”) and Volo Energy (Pty) Ltd (“Volo Energy”). Volo G5, Volo Kagiso, and Volo Energy do not control any firm. Volo is owned by an individual.

Volo was incorporated to operate as an investment holding company. However, as at the date of the merging filing, Volo does not have any investments in any firm and has no business operations.

The primary target firm is Solar Capital De Aar (RF) (Pty) Ltd (“SCDA”). SCDA does not directly or indirectly control any firm in South Africa.

Solar Capital is a special-purpose company whose sole business is to operate as an Independent Power Producer (“IPP”). SCDA is a participant in the Department of Mineral Resources and Energy’s (“DMRE”) Renewable Energy Independent Power Producer Procurement Programme (“REIPPPP”), which is aimed at bringing additional megawatts onto the country’s electricity system through private sector investment in solar, wind, biomass and small hydro, among others.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise substantial public interest concerns.

1.8 Schoonies Twee Proprietary Limited (“Schoonies Twee”)/ FPG Holdings Proprietary Limited (“FPG Holdings”)/ Strand Square (“Target Property”)

The Commission has approved the proposed transaction whereby Schoonies Twee intends to acquire the rental enterprise known as Strand Square (“Target Property”) from FPG Holdings, with conditions.

The primary acquiring firm is Schoonies Twee. Schoonies Twee is controlled by Schoonhoven Enterprises Proprietary Limited (“Schoonhoven Enterprises”). Schoonhoven Enterprises is ultimately controlled by the Schoonies Family Trust (“Schoonies Trust”). Schoonies Twee does not control any firm. Schoonies Twee, Schoonies Trust, and the firms controlled by Schoonies Trust will hereinafter be referred to as the (“Acquiring Group”).

The Acquiring Group is a property holding company that owns and manages commercial, industrial, hospitality, residential, and retail properties in KwaZulu-Natal.

The primary target firm is a rentable retail property known as Strand Square. The Target Property is controlled by FPG Holdings. The Target Property does not control any single firm.

The Target Property is a neighbourhood centre situated at the corner of Mills and Fagan Streets, Strand, Cape Town, Western Cape comprising 5,942 m² of rentable retail space.

The Commission found that the proposed transaction is unlikely to result in substantial prevention or lessening of competition in any relevant markets. To remedy the public interest concerns resulting from the proposed merger, the Commission approved the merger subject to the condition that the Acquiring Group will procure the provision of cleaning services; security services; and maintenance services at the Target Property from historically disadvantaged persons.

1.9 IMCD South Africa (Pty) Ltd (“IMCD SA”)/ CPS Chemicals Oil-Tech (Pty) Ltd (“CPS”)

The Commission has approved the proposed transaction whereby IMCD SA intends to acquire CPS, with conditions.

The primary acquiring firm is IMCD SA. IMCD SA is directly controlled by IMCD Group B.V., a public firm incorporated in accordance with the laws of the Netherlands. IMCD SA and all the firms, directly and indirectly, controlling it and all the firms directly and indirectly controlled by it, will hereinafter collectively be referred to as the “IMCD Group”.

Globally, the IMCD Group distributes speciality chemical inputs for a wide variety of applications, including, *inter alia*, in pharmaceuticals, food and beverages, cosmetics, paint, and detergent products. In South Africa, IMCD SA imports and distributes speciality products with applications across a wide range of products and sectors such as personal care, coatings and construction, food and nutrition, pharmaceuticals and as well as lubricants and energy. Relevant to the proposed transaction are IMCD SA’s activities in relation to the sale of additives (chemical components that are blended with base oils to enhance the performance of a lubricant).

The primary target firm is CPS. CPS is jointly controlled by Stratone Investments 1023 (Pty) Ltd (“Stratone 1023”), the Trustees of the Isipingo Trust, and Stratone Investments 1024 (Pty) Ltd (“Stratone 1024”). CPS

and all the firms, directly and indirectly, controlling it, will hereinafter collectively be referred to as the "Target Group".

The Target Group's product range through CPS falls under the following broad categories: (i) base oils and components; (ii) automotive such as engine oils and fuel additives; (iii) industrial e.g. corrosion inhibitors; (iv) speciality products such as castor oil and boric acid; (v) metalworking additives and components such as copper flakes and rust preventatives; (vi) refineries such as fuel additives and oxidation improvers; and (vii) various chemicals. Relevant to the proposed transaction is the Target Group's activities in relation to the sale of additives.

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 public interest concerns related to a greater spread of ownership by workers and HDPs, the parties have agreed to the divestiture of IMCD SA's polymer commodity business to a special purpose vehicle (SPV) which will be majority owned by a Trust which will be established for the sole purpose of providing funding to South African black, female students studying towards certain technical qualifications. The parties have also agreed to additional supplier development commitments.

The proposed transaction does not raise any other public interest concerns.

2. COMPLAINTS (NON-REFERRALS)

Following its investigations, the Commission has decided not to refer the following matters to the Competition Tribunal for prosecution.

2.1 Mr Jacobus Johannes (Johan) Bisschoff v Midstream Electrical Supplies (Pty) Ltd

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

2.2 Anonymous v Nissan SA

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

2.3 Abram Brown on behalf of Bodyline Coachworks v Prime Meridian Direct (Insurance Company)

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

2.4 Alwyn Govender v Discovery Insure

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

2.5 Henning Boshoff on behalf of Makoki Procurement (Pty) Ltd v BCE Foodservice Equipment

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

2.6 Phumla Victoria Matsane, Tembisa Women in Energy Association and African Radical Change of South Africa v Engen Petroleum Ltd, Vivo Energy, and Vitol Group

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

2.7 Priscilla Itumeleng Selele and National African Energy Wholesalers' Association of South Africa v Engen Petroleum Ltd, Vivo Energy, Vitol, and Malaysian Petronas

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

2.8 Anna-Rita Van Der Westhuizen for Nantekara African Foods (Pty) Ltd v Marili Viljoen for Fieldfresh Veg

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

2.9 Nomsa Mazwai v Telkom Mobile

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

2.10 Dr J. H. Combrink v Lenmed Hospital Group

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

2.11 Luis Dos Santos v Telkom SA

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

2.12 Stewarts and Lloyds Holdings (Pty) Ltd v Derek Kibble in his capacity as Trustee of the Stanbridge Street Property Trust

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

Find us on the following social media platforms:

Twitter: @CompComSA

Instagram: Competition Commission SA

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