Media Statement
For Immediate Release
05 October 2023

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday, 02 October 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 Airports Company South Africa SOC Limited ("ACSA")/ BP Southern Africa (Pty) Ltd ("bpSA")

The Commission has recommended that the Competition Tribunal unconditionally approve the proposed transaction whereby ACSA intends to acquire the aviation fuel supply assets of bpSA located at the George and King Phalo airports ("the Target Assets").

The primary acquiring firm is ACSA. ACSA is controlled by the South African Government, through the Department of Transport which has a majority shareholding. The South African Government also holds shareholding in ACSA indirectly through the Public Investment Corporation. ACSA controls several firms in South Africa.

ACSA owns and operates the nine principal airports (including George and King Phalo airports) in South Africa. Its mandate is to undertake the acquisition, establishment, maintenance, operation and control of any airport or part of any airport. ACSA also participates in equity investments on an international scale and provides technical advisory and consultancy services to airports.

ACSA does not engage in aviation fuel supply activities, including at the George and King Phalo airports. It is however responsible for appointing aviation fuel supply operators at the airports.

The primary target firm is bpSA in respect of all immovables, movables, vehicles, and equipment belonging to and used by bpSA in its aviation fuel supply operations at the George Airport (located in George, Western Cape) and King Phalo Airport (located in East London, Eastern Cape). The Target Assets include

(i) tanks, pipework, pumps, instrumentation, bunded areas, a gantry for loading refuellers and off-loading road bridgers; (ii) trucks and (iii) buildings i.e., an administration building and a storage facility. bpSA leased the relevant premises at these two airports from ACSA, where it installed all immovable assets and purchased the movable assets required to operate the sites – which now comprise the Target Assets.

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 any public interest concerns.

1.2 Valmet Oyj ("Valmet")/ Körber Tissue Fold S.r.l. ("Körber Tissue Fold") and Körber Tissue S.p.A. ("The Tissue Business of Körber Group")

The Commission has approved the proposed transaction whereby Valmet intends to acquire The Tissue Business of Körber Group, with conditions.

The primary acquiring firm, Valmet, is incorporated under the laws of Finland as a publicly traded company listed on the Nasdaq Helsinki. Valmet is not directly or indirectly controlled by any single firm or individual. In South Africa, Valmet controls two firms, namely, Valmet South Africa (Pty) Ltd ("Valmet SA") and Valmet Flow Control South Africa (Pty) Ltd ("Valmet Flow SA").

Valmet is a global developer and supplier of process technologies, automation and services for the pulp, paper and energy industries.

The primary target firms are Körber Tissue Fold S.r.l. ("Körber Tissue Fold") and Körber Tissue S.p.A. ("Körber Tissue"). Körber Tissue Fold and Körber Tissue are incorporated under the laws of the Italian Republic and are wholly owned by Körber Beteiligungen GmbH, a company incorporated under the laws of the Federal Republic of Germany. Körber Tissue Fold and Körber Tissue do not directly or indirectly control any firm within South Africa. Körber Tissue Fold and Körber Tissue will henceforth be collectively referred to as The Tissue Business of Körber Group or Target Firms.

The Target Firms are active in the supply of tissue-converting machinery which involves converting tissue-based paper into packaged consumer products, such as toilet paper. The Target Firms are based in Italy, with subsidiaries in Brazil, Japan, and the United States of America. The merging parties submit that they directly export the machines to South African customers when they receive orders from such customers, hence there are no operations locally.

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

To address public interest concerns arising, the merged entity shall establish and spend a set amount towards enterprise, supplier development for the benefit of Historically Disadvantaged Persons (HDPs), and a skills development fund for the benefit of black women.

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

1.3 Alleyroads Pulse Proprietary Limited ("Alleyroads")/ Pulse Property Group Proprietary Limited ("Pulse")

The Commission has unconditionally approved the proposed transaction whereby Alleyroads intends to acquire Pulse and certain of Pulse's subsidiaries.

The primary acquiring firm is Alleyroads. Alleyroads is controlled by Airmid Investment Trust ("Airmid"). Alleyroads does not control any firms. Alleyroads, all the firms controlling it, and all the firms controlled by those firms will be referred to as the "Acquiring Group".

Of relevance to this merger assessment is the Acquiring Group's residential property activities which include property development, residential property letting, and management services. In particular, the Acquiring Group's residential property activities within the Tshwane Metropolitan area (namely Akasia) and Johannesburg Metropolitan area (namely Johannesburg CBD, Randburg, and Roodepoort) were relevant to the merger assessment.

The primary target firm is Pulse and certain subsidiaries of Pulse which are comprised of residential property, student accommodation properties, and rental letting enterprises ("Target Group"). The Target Group is active in the provision of residential and student accommodation. However, only the Target Group's residential property activities within the Tshwane Metropolitan area (namely Akasia, Arcadia, Pretoria Central, and Sunnyside) and Johannesburg Metropolitan area (namely Johannesburg CBD, Randburg, and Roodepoort) were of relevance to this merger assessment.

Despite finding horizontal overlaps with regards to residential property and vertical overlaps with regards to residential property and property development on one hand and residential property and property management services on the other, 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 any public interest concerns.

1.4 Webafrica Networks Proprietary Limited ("Webafrica")/ Internet Solutions Digital Proprietary Limited ("Mweb")

The Commission has approved the proposed transaction whereby Webafrica intends to acquire Mweb, with conditions.

The primary acquiring firm is Webafrica. Webafrica does not control any firm.

Webafrica is a privately held internet service provider ("ISP") providing internet services at the retail level to consumers in South Africa.

The primary target firm, Mweb, is controlled by Dimension Data Proprietary Limited ("Dimension Data"), which is in turn controlled by Dimension Data Investments South Africa (Pty) Ltd ("DDISA").

Mweb is a full-spectrum ISP with a nationwide consumer offering in South Africa. Mweb's service offering includes the provision of ADSL, fibre, and fixed wireless/LTE, amongst others. Its customers include residential customers and small to medium (SME) businesses.

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

To address public interest concerns, the acquiring firm shall adopt and implement an Employee Share Ownership Programme and an HDP transaction.

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

[ENDS]

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