



Media Statement

For Immediate Release

24 November 2023

COMMISSION WELCOMES TRIBUNAL'S DECISION TO PROHIBIT THE PROPOSED MERGER BETWEEN PLASCON AND AKZONOBEL

The Competition Commission ("Commission") welcomes the decision by the Competition Tribunal ("Tribunal") prohibiting the proposed acquisition of Kansai Plascon Africa Ltd ("KPAL") and Kansai Plascon East Africa (Pty) Ltd ("KPEA") by Akzo Nobel N.V ("AkzoNobel"), an Amsterdam-based company that manufactures chemical products.

The Tribunal's order, handed down on Tuesday, 21 November 2023, follows the Commission's initial prohibition of the proposed merger on 9 November 2023.

AkzoNobel manufactures paint products under the Dulux brand, a major brand in the South African decorative paints market.

KPAL and KPEA through KPAL manufacture Plascon-branded paints, another major South African brand of decorative paints.

The Commission's investigation found that the proposed merger will result in a substantial lessening of competition, particularly in the market for the manufacture and supply of decorative coatings. This is because the proposed merger combines the largest and second-largest manufacturers of decorative coatings who manufacture the well-known Plascon- and Dulux-branded paint products to create a dominant firm with a considerable market share. The Commission also found that the merging parties are close competitors in terms of price, quality, and product range and the merger would remove competitive rivalry between two notable brands, thus reducing consumer choice.

In addition, the Commission had found that the proposed merger is likely to result in substantial input foreclosure concerns relating to the manufacture and supply of colourants as the merging

parties have both the ability and incentive to foreclose some of their competitors' access to colourants.

The merging parties did not put forward remedies likely to adequately address the anti-competitive effects of the merger.

Consequently, the Tribunal prohibited the merger.

[ENDS]

Issued by:

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