



Media Statement

For Immediate Release

21 November 2023

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Thursday, 16 November 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 Joint Venture Firm yet to be incorporated ("JV")/ in New H Powertrain Holdings S.L.U ("Horse")

The Commission has recommended that the Competition Tribunal ("Tribunal") unconditionally approve the proposed transaction whereby JV intends to acquire Horse.

The primary acquiring firm is a JV yet to be incorporated. The JV will be jointly controlled by Renault S.A.S, an affiliate of Renault S.A. ("Renault"), a public limited company listed on the Paris Stock Exchange and Zhejiang Geely Holding Group Co, Ltd ("Geely"), a limited liability company, incorporated in accordance with the laws of the People's Republic of China. The JV does not conduct any business activities. The JV will be established by Geely and Renault for the purposes of this transaction.

Relevant to the proposed transaction, globally, Renault operates an internal combustion engine ("ICE") and hybrid powertrains business. Geely also manufactures and supplies ICE and hybrid powertrains which include engines and transmissions worldwide. Both Renault and Geely will contribute their powertrains businesses to the JV.

Horse will be incorporated for the purpose of the proposed transaction and has no operations, assets, turnover, or employees 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.

1.2 Greenstreet 1 (Pty) Ltd (“Greenstreet”)/ Kouga Wind Farm (RF) (Pty) Ltd (“Kouga Wind Farm”)

The Commission has recommended that the Tribunal unconditionally approve the proposed transaction whereby Greenstreet intends to increase its shareholding in Kouga Wind Farm.

The primary acquiring firm is Greenstreet, a special-purpose vehicle. Greenstreet is wholly owned by Stanlib Infrastructure Fund II (“Stanlib Fund II”). Stanlib Fund II is managed by its general partner Stanlib Infrastructure GP 2 (Pty) Ltd (“Stanlib GP2”). Stanlib GP2 is wholly owned and controlled by Stanlib Asset Management (Pty) Ltd (“Stanlib Asset Management”), which is in turn wholly owned and controlled by Stanlib Ltd (“Stanlib”). Stanlib is in turn wholly owned and controlled by Liberty Holdings Ltd (“Liberty”), which is 100% controlled by Standard Bank Group Ltd (“Standard Bank”). Greenstreet, Stanlib Fund II, Stanlib GP2, Stanlib Asset Management, Liberty and Standard Bank shall be referred to as the “Acquiring Group”.

The Acquiring Group is involved in the provision of financial services. Of relevance to the proposed transaction are the activities of the Acquiring Group in relation to solar photovoltaic (solar PV) projects and wind farm projects for the supply of renewable energy to Eskom in terms of the Department of Mineral Resources and Energy’s (“DMRE”) Renewable Energy Independent Power Producer Procurement Programme (“REIPPPP”).

The primary target firm is Kouga Wind Farm. Kouga Wind Farm is jointly controlled by the Acquiring Group, Renewable Energy K (Pty) Ltd (“REK”), and Kouga Wind Farm Trust SPV (Pty) Ltd (“KWF Trust SPV”). The balance of the shareholding in Kouga Wind Farm is held by Eurocape Renewables (Pty) Ltd and Red Cap Investments (Pty) Ltd.

The Target Firm is an independent renewable energy power producer that supplies renewable energy to Eskom through a wind farm based in Kouga, which generates 80 MW.

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.

1.3 Collins Property Group Limited (“CPG”) (formerly known as Tradehold Limited)/ Collins Property Projects (Pty) Ltd (“Collins”)

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

The primary acquiring firm is CPG. The largest shareholders of CPG are Granadino Investments (Pty) Ltd (“Granadino”), Redbill Holdings (Pty) Ltd (“Redbill”), Titan Global Investments (Pty) Ltd (“Titan”), Teez Away Trading (Pty) Ltd (“Teez”) and H Collins and Son (Pty) Ltd (“Collins and Son”). CPG, all the firms it controls, all the firms controlling CPG, and all the firms controlled by those, will be referred to as the “CPG Group”.

Relevant to the proposed transaction is that CPG Group is an investment holding company and its principal business consists of its interest in Collins, through which various interests are held.

The primary target firm is Collins. Collins is jointly controlled by Tradegro Holdings (a wholly owned subsidiary of CPG Group) and U Reit. Collins controls several entities in South Africa.

Collins comprises CPG Group's main investment vehicle through which it holds a portfolio of predominantly industrial properties.

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 have agreed to sell a property portfolio to one or more HDPs within a certain period.

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

1.4 Barakaat Property Investments Proprietary Limited (“Barakaat”)/ Hillfox Trade Centre (Target Property)

The Commission has unconditionally approved the proposed transaction whereby Barakaat intends to acquire the Target Property.

The primary acquiring firm is Barakaat. Barakaat is wholly owned and controlled by Devland Cash & Carry (Pty) Ltd (“Devland”). Devland is in turn jointly controlled by two individuals. Barakaat does not control any firms. Barakaat, its subsidiaries, and all the firms, directly and indirectly, controlling it, will hereinafter be collectively referred to as the “Acquiring Group”.

Through Barakaat, the Acquiring Group is a property holding company that owns various properties throughout South Africa, which are primarily used internally for the Acquiring Group's wholesale and retail of grocery and general merchandise through Devland. The Acquiring Group also leases property to third parties.

The primary target firm is the Target Property, a retail property located in Weltevreden Park ext. 44, together with all contracts and the letting enterprise conducted from the Target Property.

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 Harith General Partners (Pty) Ltd (“Harith”)/ Mergence Investment Managers (Pty) Ltd (“Mergence”)

The Commission has unconditionally approved the proposed transaction whereby Harith intends to acquire shareholding in Mergence.

The primary acquiring firm is Harith. Harith is owned and controlled by Harith Holdings (Pty) Ltd (“Harith Holdings”). Harith Holdings, Harith, the firms that control them, and the firms they control are collectively referred to as the “Acquiring Group”.

The Acquiring Group is an asset management firm specialising in infrastructure fund management. Its primary activities involve financing infrastructure projects across various sectors such as energy, transportation, telecommunications, and healthcare.

The primary target firm is Mergence. Mergence, the firms that control it, and the firms they control are referred to as the “Mergence Group”.

Mergence Group is an asset management firm that offers a diverse product range across public and private market investments in sectors such as renewable energy, transportation, affordable housing, financial inclusion (via SMME support), and health 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.

1.6 Baobab Industrial Group (Pty) Ltd (“Baobab”) / Sectional Poles (Pty) Ltd (“Sectional Poles”)

The Commission has unconditionally approved the proposed transaction whereby Baobab, via its wholly owned subsidiary, K2023959161 (South Africa) (Pty) Ltd (“NewCo”) intends to acquire the entire business of Sectional Poles and the entire business of Modular Masts.

Baobab is not controlled directly or indirectly by any firm. Baobab and all the firms that it controls will collectively be referred to as the “Acquiring Group”.

The Acquiring Group provides solutions for over-pressure protection; flow, level and density measurement; automation, and control requirements. These products and solutions are consumables in the greater materials manufacturing sector including mining, petrochemical, and other industries. The Acquiring Group also manufactures intrinsically safe electronic equipment, systems, and software packages that are predominantly used in the petrochemical industry for both truck and terminal fuel-loading applications. The Acquiring Group also manufactures valves, pipe couplings and fittings, hoses and other mining-specific consumables predominantly to the hard rock underground mining and roof insulation industries.

The primary target firm is Sectional Poles. Sectional Poles wholly controls Modular Masts (Pty) Ltd ("Modular Masts"). The entire businesses of Sectional Poles and Modular Masts will therefore be collectively referred to as the "Target Business".

Sectional Poles is jointly controlled by Corvest 7 (Pty) Ltd ("Corvest 7") and TP Hentiq 6182 (Pty) Ltd ("TP Hentiq"). Shalamuka Capital (Pty) Ltd holds the remaining shareholding in Sectional Poles.

The Target Businesses manufacture and install supporting structures including masts, poles, and towers in the telecommunications and lighting industries. Additionally, the Target Businesses are active in the manufacture and supply of signage structures, lightning arresters, and fencing.

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 RE SA Holdco (Pty) Ltd (SA Holdco)/ River Energy South Africa (Pty) Ltd (RESA)

The Commission has unconditionally approved the proposed transaction whereby SA Holdco intends to acquire RESA.

The primary acquiring firm is SA Holdco, a newly established special purpose vehicle controlled by Espin Capital Private Equity Fund Managers (Pty) Ltd in its capacity as the general partner of the Espin Capital Partnership *en commandite* (Espin PEFM). Espin PEFM is jointly controlled by an individual and a trust. Espin PEFM controls a number of firms including Lurco Mining Services (Pty) Ltd ("LMS").

LMS is a processor and seller of coarse coal waste products. LMS is involved in waste coal beneficiation for Seriti Power (Pty) Ltd (Seriti). LMS beneficiates waste coal that has been discarded by Seriti to produce a coarse coal material which is then sold by Seriti to Eskom and other power producers. Of relevance to this transaction is the waste product obtained from this beneficiation process, known as arising fines.

The primary target firm is RESA, a wholly-owned subsidiary of River Energy (REM). REM is a wholly owned subsidiary of Black River Investments WEC Africa LLC (Proterra), a firm incorporated in Delaware, USA.

RESA is a licensee of a new technology that enables the rehabilitation and beneficiation of coal waste into ultra-fine coal briquettes. Ultra-fine coal is used by industrial customers that require fossil fuels like coal to produce steam, thermal energy, or heat.

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.

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 Dwaine Hohne (Treetop Toy Co.) v Bidvest Waltons

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

2.2 Pestana Miguel Agostinho Santos v Heineken SA

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

2.3 Nonhlanhla Mtshali v Telkom and Admin Plus (Insurance)

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

2.4 Moaki Botlhale Nompozolo v Zanelle Botha, Play Town Centurion

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

2.5 Bongani Mtshweni Property Bongz (Pty) Ltd v Valulink Real Estate

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

2.6 Neil Carrick v Hapag-Lloyd Africa (Pty) Ltd

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

2.7 Thabang Merriam Tlhoale v Libertalia Group property South Africa

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

2.8 Salome Tsholofelo Letlape v Sibusiso Ndhlovu and Sizwe Dudla from the National Empowerment Fund

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

2.9 Joseph v Samsung South Africa

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

2.10 Eugene Rothner v Vodacom

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

2.11 Barry Gonin v San Lameer Homeowners Association

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

2.12 Jakes Pretorius, Stone Lifestyle Cladding v Magdaleen, C&M Landscaping

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

2.13 PA Maharaj v Pharmacy Direct and Bonitas medical aid

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

2.14 Maritza Smit, Gatskop Braai (Pty) Ltd v Renier Jaques van Zijl, Jessica van Zijl and 4King Fantasies (Pty) Ltd

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

2.15 Dom Owen v Power Play GOLD R 2023 Promotion and Jupicorp (Pty) Ltd

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

3. COMPLAINTS (WITHDRAWALS)

The Commission has accepted the withdrawal of the following complaint.

3.1 Graham John van Blerk v Kaziwe Siame Kaulule (Lafarge South Africa) and Gabriel Stephanus de Wit (Afrimat)

[ENDS]

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