



Media Statement

For Immediate Release

29 February 2024

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Wednesday, 28 February 2024, 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 Rand Agri Holdings (Pty) Ltd (“Rand Agri Holdings”)/ JVD Commodities (Pty) Ltd (“JVD”) and JVD IP (Pty) Ltd (“JVD IP”)

The Commission has recommended that the Competition Tribunal (“Tribunal”) approves the proposed transaction whereby Rand Agri Holdings intends to acquire JVD and JVD IP, with conditions.

The primary acquiring firm is Rand Agri Holdings. Rand Agri Holdings is controlled by Lidonet Investments (Pty) Ltd, ETG Investments SA (Pty) Ltd (“ETG Investments”) and ETG Agro Products (Pty) Ltd (“ETG Agro”). Of relevance to this transaction are Rand Agri Holdings’ wholly owned subsidiaries (i) Rand Agri (Pty) Ltd, (ii) Rand Agri Farming (Pty) Ltd, (iii) Rand Agri Milling (Pty) Ltd and (iv) Rand Agri Milling Properties (Pty) Ltd. Rand Agri Holdings, all firms controlling it, and all firms controlled by those firms will be collectively referred to as the “Acquiring Group”.

The Acquiring Group is largely a trader of bulk raw grain commodities (soybeans, yellow maize and white maize amongst others) on the South African Futures Exchange (SAFEX). The Acquiring Group sources the products from farmers, stores them and then sells in bulk to processors and millers. The Acquiring Group also trades grain by-products used for animal feed production. The grain by-products are produced by the Acquiring Group from its milling/processing operations.

The primary target firms are JVD and JVD IP. Both target firms are controlled by an individual.

JVD provides a grain trading service connecting buyers and sellers of grain by-products such as soybean meal, sunflower oil cake and wheaten bran to produce animal feed. JVD buys the grain by-products from millers and processors which it on-sells to animal feed producers. JVD does not have milling operations of its own. JVD's main customers are animal feed producers. JVD also distributes raw grain to its customers on request. JVD procures raw grain from bulk raw grain traders such as the Acquiring Group and on-sells to its customers.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market.

To address public interest concerns, the merged entity will contribute an agreed upon amount to the Amrut Foundation to specifically develop and implement a training programme for historically disadvantaged person (HDP) farmers in Moreneng and Batlokoa in the Eastern Cape.

1.2 Capitec Life Limited (“Capitec Life”) / Funeral insurance business (“Target Business”) underwritten by Centriq Life Insurance Company Ltd (“Centriq Life”)

The Commission has recommended that the Tribunal approves the proposed transaction whereby Capitec Life intends to acquire the funeral insurance business underwritten by Centriq Life, with conditions.

The primary acquiring firm is Capitec Life, and it does not directly or indirectly control any firm. Capitec Life is wholly owned by Capitec Insurance Holdings (Pty) Ltd (“Capitec Insurance”), which in turn is wholly owned by Capitec Bank Holdings Ltd (“Capitec Holdings”), a public company listed on the Johannesburg Stock Exchange (JSE). Capitec Holdings is not controlled by any individual shareholder or firm. In addition to Capitec Insurance, Capitec Holdings has shareholding in other companies. Capitec Holdings and the firms controlled by it are referred to as the “Capitec Group”.

Capitec Group operates through its subsidiaries to provide banking and insurance services.

The primary target firm comprises the funeral insurance business underwritten by Centriq Life in terms of a cell captive arrangement with Capitec Ins and which is reinsured to and administered by Sanlam Developing Markets Ltd (“SDM”) (“Target Business”). The Target Business is jointly and directly controlled by Capitec Ins, Capitec Bank, Centriq Life and SDM. Centriq Life and SDM are ultimately controlled by Sanlam Ltd (“Sanlam”), a public company listed on the JSE. Sanlam is not controlled by any firm.

The Target Business is a funeral insurance book and does not directly or indirectly control any firm.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market.

To address public interest concerns, the merging parties have agreed to an HDP investment transaction for the purpose of investing, developing, and supporting HDP-owned small, medium and micro enterprises (SMMEs). In addition, the proposed transaction does not raise other public interest concerns.

1.3 4U Proprietary Limited (“4U”) / Hicell Holdings Proprietary Limited (“Hicell Holdings”)

The Commission has approved the proposed transaction whereby 4U intends to acquire Hicell Holdings, with conditions.

The primary acquiring firm is 4U. The shareholders of 4U are Chatz, 4U Holdings Proprietary Limited and C Square Private Equity Fund.

4U mainly sells and distributes cellular handsets and accessories as well as prepaid starter packs, cellular airtime contracts, vouchers, prepaid airtime and mobile data directly to customers as an independent service provider in various 'Vodacom 4U' franchise arrangements and/or 'Chatz Connect' dealership arrangements.

The primary target firm is Hicell Holdings. Hicell Holdings is controlled by Kofam Proprietary Limited (“Kofam”), Benoba Trust, and Ayanda Investments Proprietary Limited (“Ayanda Investments”). Hicell Holdings controls HiCell V-Shops Proprietary Limited (“HiCell V-Shops”) and Ayanda Cellular Proprietary Limited (“Ayanda”). Mbau Cellular Proprietary Limited (“Mbau”) is wholly owned by Ayanda Investments. RVR Cellular Proprietary Limited (“RVR”) is controlled by Kofam and an individual. Universal Pulse Trading 213 Proprietary Limited (“Universal”) is controlled by Kofam and Benoba Trust. HiCell Holdings, HiCell V-Shops, Ayanda, Mbau, RVR and Universal are herein collectively referred to as the "Target Firms".

The Target Firms sell and distribute cellular handsets and accessories as well as prepaid starter packs, cellular airtime contracts, vouchers, airtime and mobile data directly to customers as an independent service provider and in terms of various 'Vodacom 4U' franchise arrangements and/or 'Chatz Connect' dealership arrangements.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market.

To address public interest concerns, the Acquiring Firm has committed to an HDP transaction within 36 months of the merger implementation date. In addition, the proposed transaction does not raise other public interest concerns.

1.4 Apex Consolidation Entity Limited (“ACEL”) / IP Management Company (RF) Proprietary Limited (“IPMC”)

The Commission has approved the proposed transaction whereby ACEL intends to acquire IPMC, with conditions.

The primary acquiring firm, ACEL, is a company incorporated in accordance with the laws of England and Wales.

Apex Group Ltd controls numerous other firms in South Africa, including Apex Fund Services South Africa Limited (“Apex Fund Services SA”) and Apex Group Fund Managers Proprietary Limited, amongst others.

Globally, the Apex Group is a financial services provider that offers a range of solutions to asset managers, private clients and family offices. In South Africa, the Apex Group has two lines of business, namely asset management and fund administration. The Apex Group provides fund administration services through Apex Fund Services SA, whilst two other Apex Group subsidiaries, BCI and BIP, provide asset management services.

The primary target firm, IPMC, is not controlled by any person or firm.

IPMC acts as a manager of Collective Investment Schemes (“CISs”). IPMC’s CISs administration includes offerings relating to co-branded portfolios and foreign investment scheme representation. IPMC’s investment product offering includes various Rand denominated funds across various sectors as well as tax-free savings accounts and representation of foreign-denominated funds.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market.

To address public interest concerns, ACEL has committed to an HDP transaction within 24 months of the merger implementation date. In addition, the proposed transaction does not raise other public interest concerns.

1.5 Varun Beverages Limited (“Varun India”) / The Beverage Company (Pty) Ltd (“Bevco”)

The Commission has approved the proposed transaction whereby Varun India intends to acquire Bevco, with conditions.

The primary acquiring firm is Varun India. Varun India is incorporated in terms of the laws of India. Varun India is a public company which is listed on the National Stock Exchange of India Limited (“NSE”), as well as the Bombay Stock Exchange Limited (“BSE”) and as such it is not controlled by any individual shareholders. The largest shareholders in Varun India are RJ Corp Limited, and two private individuals.

Varun India controls a number of firms with only one subsidiary located in South Africa, namely Varun Beverages South Africa (Pty) Limited (“Varun SA”). Varun SA has been inactive since it was established and has never conducted any operations. Varun India and all of the firms controlled by it will collectively be referred to as the “Acquiring Group”.

The Acquiring Group manufactures, distributes and sells a wide range of carbonated soft drinks, as well as a large selection of non-carbonated beverages, including packaged drinking water sold under trademarks owned by PepsiCo.

The primary target firm, Bevco, is not controlled by any individual firm. Bevco directly and indirectly controls the following firms: The Beverage Company BidCo (Pty) Ltd and Little Green Beverages (Pty) Ltd. Bevco and all the firms it controls will collectively be referred to as the “Target Group”.

The Target Group is a beverage producer headquartered in Johannesburg which produces carbonated soft drinks primarily in two-litre plastic pack sizes. The Target Group’s primary bottling operating facilities are located in Johannesburg and East London.

The Target Group sells its own branded carbonated soft drink products called Refreshhh! and is also a significant private label carbonated soft drink bottler to various retailers in South Africa. Moreover, the Target Group also produces a range of mixers, energy drinks and water and is the registered bottler for Pepsi in South Africa.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market.

The merging parties undertake that the merger shall not result in any merger specific retrenchments as no merger specific retrenchments are contemplated and the merger does not result in any duplications.

To address other public interest issues, the parties tendered a package of conditions that includes substantial capital expenditure over a period of five years post-merger; installing additional fridge coolers at various retail and spaza outlets; increasing local procurement including from HDP-owned firms; introducing an owner-driver scheme; and the implementation of a worker share ownership scheme.

1.6 Poseidon Property Investments (Pty) Ltd (“Poseidon”) / Silver Lakes Crossing Shopping Centre (Pty) Ltd (“Silver Lakes”)

The Commission has approved the proposed transaction whereby Poseidon intends to acquire Silver Lakes, with conditions.

The primary acquiring firm is Poseidon.

The firms with the Poseidon Group operate as a real estate company specialising in shopping centre leasing, management, sales, and retail tenant representation and has shopping centres located in the Gauteng and Western Cape Provinces. Furthermore, the Poseidon Group owns office properties.

The primary target firm, Silver Lakes, owns a convenience retail shopping centre in the East of Pretoria, namely, the Silver Oaks Crossing Shopping Centre ("Silver Oaks") situated in Willow Acres, Pretoria. Silver Oaks comprises office and retail spaces, two motor dealerships, and a fast-food drive-through on a stand-alone plot all forming part of one rental enterprise. Silver Lakes also owns a few vacant stands which are adjacent to the Silver Oaks shopping centre.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market.

To address public interest concerns, the Acquiring Firm has committed to procure cleaning and security services at the Target Property from HDP-owned or controlled suppliers for a period of 36 months from the merger implementation date.

1.7 Bidfood (Pty) Ltd. ("Bidfood") / The food distribution business of Unick Foods (Pty) Ltd ("Unick Foods") (referred to as the "Target Business")

The Commission has unconditionally approved the proposed transaction whereby Bidfood intends to acquire the Target Business.

The primary acquiring firm, Bidfood, is wholly owned and controlled by Bidfood Food Africa (Pty) Ltd ("Bidfood Food Africa"). Bidfood Food Africa is wholly owned and controlled by Bid Corporation Limited ("Bidcorp"). Bidcorp is a public company listed on the JSE. Bidfood, all its controlling entities, and all the entities that it controls will collectively be referred to as "Bidfood".

Bidfood is active in the supply of foodservice distribution to retail and out of home customers. It offers a wide range of products, simplified order and delivery solutions. Bidfood's wide range of products and services are tailored to add value to its customers and include food items (including grocery products, chilled products, frozen products and beverages); non-food items (including cleaning materials, packaging, disposables and consumables); equipment (including glassware, crockery, cutlery, kitchen equipment and smalls, and chef wear); and liquor including an exclusive wine range. It also offers warehousing services.

The primary target firm is the Target Business. The Target Business is controlled by Unick Foods. Unick Foods is wholly owned and controlled by an individual. The Target Business does not control any firms.

The Target Business is active in the distribution of locally manufactured and/or imported frozen, chilled and dry food products (and associated products) to the retail sector, restaurants and foodservice industry in the Eastern Cape Province. It offers a wide variety of frozen food products and warehousing services.

The Commission is of the view that the proposed transaction is unlikely to substantially lessen or prevent competition in any market. In addition, the proposed transaction does not raise public interest concerns.

[ENDS]

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