



Media Statement

For Immediate Release

02 April 2024

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Thursday, 28 March 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 The Prepaid Company Proprietary Limited (“TPC”) / Cell C Limited (“Cell C”)

The Commission has recommended that the Competition Tribunal approves the proposed transaction whereby TPC intends to acquire Cell C, with conditions.

The primary acquiring firm is TPC, a wholly owned subsidiary of Blue Label Telecoms Limited (“BLT”). BLT is a listed company on the Johannesburg Securities Exchange Limited (JSE) and is not controlled by any single shareholder. TPC controls Blue Label Connect (Pty) Ltd (“BLC”) and Comm Equipment Company (Pty) Ltd (“CEC”) amongst others. BLT, TPC and all firms they directly and indirectly control shall collectively be referred to as the “Acquiring Group”.

The Acquiring Group, through TPC, is a wholesale distributor of prepaid telecommunication products, including prepaid airtime, postpaid airtime/contracts, SIM cards, and entry-level handsets. These products are collectively referred to as mobile network products. TPC purchases mobile network products from mobile network operators (“MNOs”) and on-sell them to downstream distributors, merchants, and retailers.

The Primary Target Firm is Cell C. Cell C is not controlled by any individual shareholder or firm. TPC is the largest shareholder of Cell C. Cell C controls the following firms: (i) Cell C Service Provider Company Proprietary Limited, (ii) Cell C Service Provider Company Proprietary Limited, (iii) Cell C Tower Company Proprietary Limited, (iv) Cell C Bidco Proprietary Limited and (v) Cell C Infraco Proprietary Limited. Cell C and its subsidiaries shall collectively be referred to as the “Target Group”.

Cell C is a mobile network operator and is involved in the provision of mobile network products. Cell C also provides wholesale services to Mobile Virtual Network Operators (“MVNOs”) and Mobile Virtual Network Enablers (“MVNEs”) which involves providing them with network access. Cell C also sells its own prepaid and postpaid airtime directly to dealers and retailers as well as to end-consumers through the Cell C app and its retail stores. Cell C also delivers SIMs and handsets to Cell C retail stores. However, some of Cell C’s airtime and SIMs, much like that of the other MNOs, are distributed via wholesaler distributors such as TPC.

The Commission has recommended that the Tribunal approves the merger subject to conditions to mitigate information exchange concerns, and conditions ensuring the continued use of certain prepaid airtime distribution channels for a period, post-merger.

The proposed transaction does not raise public interest concerns.

1.2 The Milnerton Estates Limited (“Milnerton Estates”) / Target Firm from Paarl Circle Proprietary Limited (“Paarl Circle”)

The Commission has conditionally approved the proposed transaction whereby Milnerton Estates intends to acquire certain undeveloped immovable land situated in Paarl, Drakenstein Municipality, Western Cape from Paarl Circle.

The primary acquiring firm is Milnerton Estates, and it is not directly or indirectly controlled by any firm. Milnerton Estates controls several firms in South Africa. Milnerton Estates and all firms directly and indirectly controlled by it are collectively referred to as the "Acquiring Group".

The Acquiring Group is active in the development of land into townships for further development into residential and commercial development.

The Target Firm comprises undeveloped immovable land situated in the Paarl.

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 Group has undertaken to procuring certain services from historically disadvantaged persons (HDP) service providers and to provide new houses for vulnerable individuals. The proposed transaction does not raise other public interest concerns.

[ENDS]

Issued by:

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