



Competition Commission (“the Commission”)
Mulayo Building, Block C
77 Meintjies Street
Sunnyside
Pretoria

11 March 2024

Attention: Zintle Siyo
By e-mail: ZintleS@compcom.co.za

Dear Zintle,

**RE: REQUEST FOR INFORMATION RELATING TO THE FRESH PRODUCE MARKET INQUIRY
(CASE NUMBER: 2022APR0051)**

1. We refer to the above matter and our letter of 20 February 2024 in response to the Commission’s revised request for information following our discussions on 6 February 2024.
2. You will recall that in our latest response to the Commission, we prioritized our response to question 8 of the Commission’s request for information in the interest of time, with a promise to provide a response to questions 4, 5.1. and 5.2 in due course. Therefore, the below information is in response to the remainder of the Commission’s questions (i.e. questions 4 and 5).
3. For ease of reference, we have repeated the Commission’s question in bold below followed by the relevant response from Sasol.
4. Kindly note that in line with the attached Form CC7, Sasol claims some of the contents of this letter as confidential as defined in section 1(1) of the Competition Act No. 89 of 1998, as amended. Please take note of the accompanying Form CC7 claiming confidentiality on the letter marked Annexure “A”.

MARKET DYNAMICS OF KEY INPUTS AND THEIR IMPACT ON PRODUCERS

4. ***Identify and estimate the sizes of the manufacturers/ suppliers of fertilisers (limit this to fertilisers used in the production of fresh produce) for the period 2017 to 2022. The estimated market size should be based on value of sales, volumes, and revenues. This information should be based on all areas where Sasol is active either as a manufacturer and ignore areas where Sasol is not active as either manufacturer.***

As previously discussed, this response will relate only to LAN as Sasol does not sell fertilizer. Even with LAN, Sasol is not familiar with this market and therefore is not in a position to

Sasol South Africa Limited 1968/013914/06
Sasol Place 50 Katherine Street Sandton 2196 South Africa Private Bag X10014 Sandton 2146 South Africa
Telephone +27 (0)10 344 5000 Facsimile +27 (0)11 788 5092 www.sasol.com

Directors: VD Kahla (Chairman) B Baijnath RM Laxa NP Magaqa NX Maluleke CK Mokoena TD Mokomela Z Monnagotla GN Nndwammbi

Alternate directors: TLB Boikhutso YM Motsisi

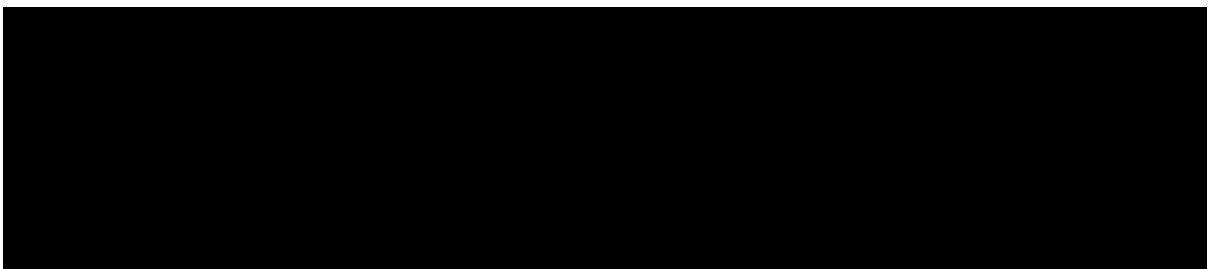
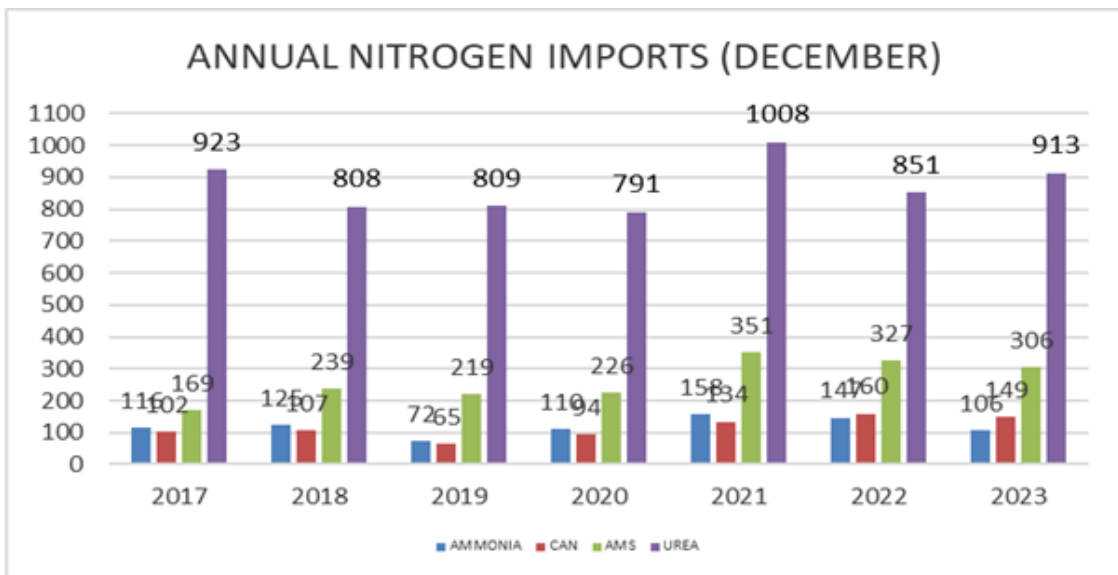
Company Secretary: M du Toit

estimate the market size and volume supplied. Sasol sells LAN to the wholesalers Agri Co-ops and is not privy to any information pertaining to its customers' distribution curve in the sectors wherein they participate. Our rough estimate is that approximately >90% of Sasol's LAN ends up within the grain sector in the inland region.

5. Explain the price setting mechanisms which pertain to fertilisers (limit this to fertilisers used in the production of fresh produce). In your response refer to:

- 5.1. The methodology and factors considered when determining price;**
- 5.2. The use of international bases for price including the use of import and export parity pricing in the determination of local pricing;**
- 5.3. The main drivers of cost; and**
- 5.4. Certification costs in relation to fertilisers.**

LAN which is a nitrogen (28N) competes with imported Urea (46N) and imported CAN (27N). South Africa is a net importer of Nitrogen, of which, as indicated in the graph below, Urea is almost a million tons per annum.



page 3 of 3

We trust that the above is of assistance. Please do not hesitate to contact us should you require further assistance.

Yours sincerely

Tebogo Koti
Senior Legal Advisor – Competition Law CoE
Direct Telephone: +27 66 250 7037
Email: Tebogo.koti@sasol.com