



Media Statement

For Immediate Release

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COMMISSION ACTS AGAINST PREMIER OVER FAILURE TO DISCLOSE CONTEMPLATED CLOSURE OF TULBAGH CANNING FACILITY DURING MERGER REVIEW

The Competition Commission ("Commission") yesterday filed an application with the Competition Tribunal ("Tribunal") under section 16(3) of the Competition Act seeking the revocation of the Tribunal's decision to conditionally approve the merger between Premier Group Limited ("Premier") and RFG Holdings Limited ("RFG").

The Tribunal approved the large merger between Premier and RFG on 6 March 2026, subject to conditions that included employment protections. Before the merger was referred to the Tribunal, the merger parties stated that they did not contemplate closing nor disposing of any manufacturing facilities or production lines, or equipment after the merger. They repeated this assurance before the Tribunal approved the transaction, confirming that they did not contemplate closing, integrating or consolidating their respective production facilities.

The merger was implemented on 30 March 2026.

In July 2026, four months after the merger was implemented, Premier informed the Commission that it intended to close RFG's fruit-canning facility in Tulbagh, Western Cape. The facility, Fruit Processing Western Cape ("FPWC"), is one of only two fruit-canning facilities in South Africa and provides an important route to market for approximately 200 Western Cape fruit growers. It is also a significant regional employer, and its proposed closure would affect more than 400 permanent and fixed-term employees, as well as thousands of seasonal workers across the broader agricultural value chain.

The Commission's application follows its investigation of a complaint lodged by, among others, the South African Clothing and Textile Workers Union. The complainant alleged that the planned closure of this cannery would result in retrenchments in breach of the merger conditions. The investigation found that Premier and RFG had failed to disclose information about the contemplated closure to the Commission and the Tribunal, despite the parties having known of and discussed the option to do so before the Tribunal approved the merger. This information was material to the Commission's assessment, particularly because the Commission had expressly requested confirmation of the parties' post-merger plans for the closure, integration or consolidation of their production facilities. The non-disclosure denied the Commission and

the Tribunal an opportunity to assess and address the closure's competition and public-interest implications before approving the merger.

The merger-control process is characterised by significant information asymmetries between merger parties and regulators. Withholding material information, whether by omission or as a deliberate act, undermines the integrity of the merger-control regime and may result in the revocation of an approved merger.

The contemplated closure of the Tulbagh cannery was material to the assessment of both the competition and public-interest aspects of the merger. It would remove the only competitor to Langeberg from the South African market, effectively creating a monopoly in the sector. The public-interest consequences would also be significant, including the aforementioned loss of permanent and seasonal jobs, farmers would lose a longstanding customer, and exports would decline.

"The integrity of South Africa's merger-control regime depends on merger parties making full, frank and honest disclosure of all material information. The Commission cannot properly assess the competition and public-interest consequences of a transaction when crucial facts are withheld," said Competition Commissioner Doris Tshepe. "Where parties fail to meet this obligation, the Commission will not hesitate to take appropriate action to protect the integrity of the regulatory process."

[ENDS]

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