



competition commission
south africa

Media Statement

For Immediate Release

22 September 2022

STATEMENT ON THE LATEST DECISIONS BY THE COMPETITION COMMISSION

The Competition Commission of South Africa (CCSA) held its ordinary meeting on Tuesday 20 September 2022, 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 K2022451328 (South Africa) Proprietary Limited (“K2022”)/ Preference Capital Proprietary Limited (“PrefCap”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby K2022 intends to acquire an interest in PrefCap, without conditions.

The primary acquiring firm is K2022. K2022 is controlled by Old Mutual Emerging Markets Proprietary Limited (“OMEM”), which is in turn controlled by Old Mutual Group Holdings (South Africa) Limited (“OMGHSa”). OMGHSa is in turn controlled by Old Mutual Limited (“OML”). OML controls numerous firms in South Africa, including Masisizane Fund Non-Profit Company (“Masisizane”), Old Mutual Investment Administrators Proprietary Limited and Old Mutual Investments Proprietary Limited, amongst others. K2022 is a newly incorporated company and does not control any firm/s. K2022, OML and all its subsidiaries will from hereon be collectively referred to as the “Old Mutual Group”.

The Old Mutual Group is active in the financial services and insurance sectors in South Africa and other African countries. The Old Mutual Group’s ultimate parent company, OML, is involved in the financial services and insurance markets in South Africa and internationally, through several subsidiaries. Relevant to the proposed transaction is Masisizane which operates in the financial services market. Masisizane is a non-profit initiative that provides funding/lending services to businesses with a specific focus on black-owned businesses with a particular target for women-, youth-, and people with disabilities-owned enterprises operating in either the agri-business, franchising, supply chain and manufacturing, tourism, technology, media, and telecoms sectors.

The primary target firm, PrefCap is not controlled by any one firm. PrefCap and its subsidiaries are collectively referred to as the “PrefCap Group”.

The PrefCap Group predominantly provides lending services to all industries within the small and medium-sized enterprises market. PrefCap provides lending services to companies active in general retail such as independently owned Pick n Pay Family stores, Spar stores, and hardware stores as well as firms operating in car repair services; mining; manufacturing; renewable energy; fleet management; engineering; plastic, recycling, and waste management; earth moving (mines, construction, and civils); material handling; specialized printing; golf and gardening; access platforms and cranes.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any substantial public interest concerns.

1.2 Community Property Company Proprietary Limited (“CPC”)/ KG Mall (“the Target Property”)/ Luvon Investments (Pty) Ltd (“Luvon”)/ Shoprite Checkers (Pty) Ltd (“Shoprite Checkers”)/ Falcon Forest Trading 89 (Pty) Ltd (“Falcon Forest”)

The Commission has recommended that the Competition Tribunal approve the proposed transaction whereby CPC intends to acquire the rental enterprise known as KG Mall (“the Target Property”) from Luvon, Shoprite Checkers, and Falcon Forest, without conditions.

The primary acquiring firm is CPC. CPC is ultimately controlled by Old Mutual Limited through its various subsidiaries. CPC does not control any firm. CPC and all the firms controlled by Old Mutual Limited are hereinafter referred to as the “Acquiring Group”.

CPC is a property holding and investment company that specialises in the acquisition of new and existing shopping centres that cater to the needs of underserved communities throughout South Africa. Through its subsidiaries, Old Mutual Limited is involved in various industries including asset management, life insurance, banking, and investment products, and short-term insurance. Old Mutual Limited also owns a portfolio of rentable properties.

The Target Property is the immovable property and letting enterprise described as Erf 11250 Kwa-Guqa, Extension 15, Witbank, Mpumalanga, known as KG Mall, situated at the corner of the N4 and Matthews Phosa Street with a total Gross Lettable Area (“GLA”) of 21,091 m² (“the Target Property/ KG Mall”).

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any substantial public interest concerns.

1.3 Medhold Medical (Pty) Ltd (“Medhold”)/ Affmed (Pty) Ltd (“Affmed”)

The Commission has approved the transaction whereby Medhold acquired Affmed, without conditions.

The primary acquiring firm is Medhold. Medhold is controlled by Medhold Group (Pty) Ltd ("Medhold Group"), which is in turn controlled by the Old Mutual Private Equity ("OMPE"). OMPE forms part of the Old Mutual Group. Medhold wholly controls Medhold Africa & Projects Pty Ltd ("Medhold Africa"). Medhold Africa wholly-owns Medhold Medical Namibia (Pty) Ltd.

Medhold is a supplier of medical devices and technology to the healthcare sector in Southern Africa.

The primary target firm is Affmed. Affmed is wholly owned by Hanmag 203 (Pty) Ltd ("Hanmag"), which is in turn wholly owned by the Impangele Trust. The Target Business does not directly or indirectly control any other firm.

The Target Business is a supplier of orthopedic medical products in the joint replacement and trauma segments, catering to procedures involving the following body parts/ procedures: Craniomaxillofacial; elbow; foot & ankle; hand & wrist; hip & pelvis; Neurosurgery; Orthobiologics; shoulder; tendon & ligament; and rib chest wall.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.4 BC Partners Management XI Limited (“BC Manager”)/ Fedrigoni S.p.A (“Fedrigoni ”)

The Commission has approved the proposed transaction whereby BC Manager acquired Fedrigoni, without conditions.

The primary acquiring firm is BC Manager, a company incorporated under the laws of Guernsey.

BC Partners is an international private equity firm established in London whose sole activity is to provide advisory services. The BC Funds hold a controlling interest in various portfolio companies active globally. The BC Funds are purely financial investors, i.e., they are not involved in the day-to-day management of the companies in which they invest, which are operated by independent management teams.

Some of BC Partners’ portfolio companies having activities in South Africa include Dummen Orange (a global floricultural breeding provider), Pronovias (global leading bridalwear brand), and Aenova (European outsourcing partner for contract manufacturing services for pharma generics and consumer healthcare companies based in Germany), amongst others.

The primary target firm is Fedrigoni, a company incorporated under the laws of Italy. In South Africa, Fedrigoni controls (indirectly) Ritrama Converting Proprietary Limited ("Ritrama").

Fedrigoni is a manufacturer and supplier of specialty paper products and self-adhesive materials. Specialty paper consists of graphic or fine paper for creative and luxury packaging applications as well as stationery products. Its main brands are Fedrigoni, Fabriano, Cordenons, Ritrama, Arconvert and Manter. Fedrigoni has manufacturing sites in Italy, Spain, the UK, the USA, China, Mexico, and Brazil.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.5 California Holding III Limited ("Acquiring Firm" or "California")/ Imerys S.A.'s High-Temperature Materials and Solutions business ("Imerys HTS" or "Target Firm")

The Commission has approved the proposed transaction whereby California acquired Imerys HTS, without conditions.

The primary acquiring firm is California, a private limited company incorporated under the laws of the United Kingdom. California is a newly incorporated special purpose vehicle that has been established to implement the proposed transaction.

The Acquiring Group indirectly controls the several entities in South Africa which are active in:

- The supply of specialty chemicals and services for process, functional, and water treatment applications;
- The harvesting and supply of frozen seafood products;
- The supply of injection moulding equipment and services to the plastics industry; and
- The global manufacturing of high-performance rigid protective cases, advanced portable lighting systems, and outdoor consumer products for highly resilient government, commercial, and consumer markets.

The Acquiring Group specializes in the acquisition and operation of companies that provide services and solutions to customers in a broad range of businesses which include information technology, telecommunications, logistics, metal services, manufacturing, and distribution. The Acquiring Group typically engages in an operational restructuring of the companies that it acquires, with a focus on improving operational performance and re-orienting the business to meet customer demands in changing markets.

The primary target firm is Imerys HTS, which is ultimately controlled by Imerys S.A., which in turn is listed on the Euronext Paris stock exchange.

Imerys S.A is a global provider of high-temperature refractory solutions and services, offering thermal protection of industrial equipment as well as flow and casting enhancement to a number of customers ranging from the iron, steel, foundry, and thermal industries.

In South Africa, the Target's business is conducted through its subsidiary, Calderys SA, which supplies unshaped refractories and is not active in the remaining products and services offered by the Imerys HTS business.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.6 Sakhumnotho Capital Proprietary Limited ("Sakhumnotho")/ Pakworks Proprietary Limited ("Pakworks")

The Commission has approved the proposed transaction whereby Sakhumnotho acquired Pakworks, without conditions.

The primary acquiring firm is Sakhumnotho, which forms part of Sakhumnotho Group Holdings.

Sakhumnotho Group Holdings is an investment holding company. Its current portfolio includes interests in agriculture, mining, mining services, oil and gas, renewable energy, property and telecoms, media, and technology.

The primary target firm is Pakworks, whose businesses are integrated with Zutco ("Target Group").

The Target Group is involved in the contract manufacturing of savoury snacks. In particular, the Target Group manufactures and packages NikNaks and Simba Peanuts on behalf of Simba.

The Commission found that the proposed transaction is unlikely to result in a substantial prevention or lessening of competition in any relevant markets. The Commission further found that the proposed transaction does not raise any public interest concerns.

1.7 The Shadow Capital (Pty) Ltd & Shadow Capital Agri (Pty) Ltd ("SC Group")/ Blue Ocean Mussels (Pty) Ltd ("BOM") and Gallo Group (Pty) Ltd ("Gallo")

On 19 September 2022, the Commission approved the proposed transaction whereby SC Group will acquire GOM and Gallo, with conditions.

The primary acquiring firms are Shadow Capital and Shadow Capital Agri, private companies incorporated in accordance with the laws of South Africa. Shadow Capital Agri is wholly owned by Shadow Capital. Shadow Capital is not directly or indirectly controlled by any entity. Shadow Capital and all the firms directly and indirectly controlled by it will hereinafter collectively be referred to as the "SC Group".

The SC Group is a private investment group, which specializes in investing in and assisting small to medium size companies to grow into sustainable, successful businesses. They have particularly strong expertise in the agriculture sector where its management has been active for many years.

The primary target firms are BOM and Gallo, private companies incorporated in accordance with the laws of South Africa. BOM is wholly owned by Terrasan Beleggings (Pty) Ltd (“Terrasan”). Terrasan Beleggings is controlled by the Terrasan Group Limited. BOM does not directly or indirectly control any firm. Gallo is not directly or indirectly controlled by any entity. Gallo does not directly or indirectly control any other entities. BOM and Gallo will hereinafter collectively be referred to as the “Target Firms”.

BOM is involved in the farming (harvesting & seeding), processing and the sales and marketing of both fresh and frozen mussels. Gallo is only involved in the processing of mussels and is not active in the farming of mussels. Both the Target Firms produce frozen mussel products which are sold on a wholesale basis in South Africa. BOM and Gallo are both located in Saldanha Bay. As part of the proposed transaction, the operations of BOM and Gallo will be merged into a single entity and it will be named “New BOM”.

The Commission found that the proposed transaction will not lead to a substantial prevention or lessening of competition. Further, the Commission and the merging parties agreed to a number of public interest conditions aimed at protecting the employees of the merging parties, encouraging procurement from HDP-owned suppliers as well as the promotion of a greater spread of ownership by workers in the market.

2. COMPLAINTS (NON-REFERRALS)

2.1 Mario Peremore vs Vodacom, MTN, Telkom and Cell C

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

2.2 M T Waste Solutions (Pty) Ltd v Eberspaecher South Africa (Pty) Ltd, Umicore Catalyst SA(Pty) Ltd, Tenneco Automotive Holdings (Pty) Ltd, Faurecia Exhaust Systems South Africa (Pty), Heraeus Group South Africa, and BASF South Africa (Pty) Ltd

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

2.3 Kabelo Jerry Mojela on behalf of Zabalaza Towing Association (“ZATA”) v Automobile Association of South Africa (“AASA”)

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

2.4 Stratum Benefits (Pty) Ltd vs National Bargaining Council For The Private Security Sector and National Risk Managers (Pty) Ltd

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

2.5 Veschini Maharaj v Fly

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

2.6 Biaka Koch Staebe v Life Health Care

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

2.7 Bloempapier (Pty) Ltd v Prime Art and Graphics (Pty) Ltd

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

2.8 City of Cape Town v Jazz Ozza & Jazz Spirit

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

2.9 Desiree Schnetler obo Thermal Insulation Products v Systems Association Of South Africa

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

2.10 Mahlatse Maite Kgatle v Adcock Ingrams IG Account

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

2.11 Ronelle Melissa Louw v Telkom (Akinga Vertical Service)

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

2.12 Mr I Goolam v Many Glass Companies / Compass Glass Cape Town/ Mc Coys Cape Town/ National Glass/ PG Glass

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

2.13 Frederick David Badenhorst v Toyota Dealership Centurion

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

2.14 Valveco H20 v Electrolux (Kwikot)

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

2.15 Keneilwe Mampane v Royal Funeral Services

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

2.16 Anonymous v Jeanine Fourie

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

2.17 Nicholaas Loots v First National Bank and Paypal

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

2.18 Sisay Legese Urge v Mohmed Kashif Ahmed

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

2.19 Precious Sibisi v Multichoice DSTV

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

2.20 Defendoor v Excellerate JHB Retail

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

2.21 Ursula Elizabeth Lewis v Edgars, Hollard and IUA Business Solutions

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

2.22 Ngako Eliphas Ngoepe v Vodacom and Telegroup

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

Members of the public can now lodge their complaints by SMS/WhatsApp @084 743 0000

[ENDS]

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