



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM139Sep15

In the matter between:

G and C Shelf 115 (Pty) Ltd

Primary Acquiring Firm

and

**The Sydney Road Property in Durban
(owned by Redefine Properties Ltd)**

Primary Target Firm

Panel	: Yasmin Carrim (Presiding Member)
	: Andiswa Ndoni (Tribunal Member)
	: Anton Roskam (Tribunal Member)
Heard on	: 28 October 2015
Order Issued on	: 28 October 2015
Reasons Issued on	: 25 November 2015

Reasons for Decision

Approval

- [1] On 28 October 2015, the Competition Tribunal ("Tribunal") unconditionally approved the merger between G and C Shelf 115 (Pty) Ltd ("G and C Shelf") and The Sydney Road Property in Durban which is owned by Redefine Properties Ltd ("the Target Property").
- [2] The reasons for approving the proposed transaction follow.

Parties to transaction

Primary acquiring firm

- [3] The primary acquiring firm, G and C Shelf is wholly-owned by Premier FMCG (Pty) Ltd ("Premier FMCG") which is in turn wholly-owned by Premier Group (Pty) Ltd ("Premier").
- [4] Premier is a South African staple foods manufacturer whose main activities are the milling, marketing, selling and distribution of branded maize, flour products, bread and other fast moving consumer goods. G and C Shelf is a property holding company through which Premier holds various properties of the Premier Group.

Primary target firm

- [5] The Target Property is a property letting enterprise known as Premier Milling Durban which is owned by Redefine Property. The Target Property is classified as a heavy industrial space which has been leased out to Premier FMCG which utilized it for its milling operations.

Proposed transaction and rationale

- [6] In the proposed transaction G and C Shelf would acquire the Target Property from Redefine Property and wholly own it thereafter. The sale would include immovable property, buildings, fixed assets, lease agreements and movable assets.
- [7] Premier submitted that the proposed transaction is in order to secure the premises which it uses to conduct significant and important milling operations. Redefine properties submitted that the Target property, as a non-core asset is no longer aligned with its current investment strategy and its disposal is in line with its long term investment strategy.

Impact on competition

- [8] The Commission considered the activities of the merging parties and found that no horizontal overlap existed as the Acquiring Group is not active in the property market. The Commission also considered whether a vertical relationship would exist post-merger between the merging parties and found in the negative as the Target Property was not leased out to any other third parties.
- [9] The Commission is of the views that as no horizontal overlap existed and no vertical foreclosure concerns would arise that the proposed transaction would not substantially lessen or prevent competition. The Tribunal concurs with this finding and is of the view that the proposed transaction would not substantially prevent or lessen competition in any of the markets.

Public interest

- [10] The merging parties confirmed that the proposed transaction will not result in an adverse impact on employment.¹ The proposed transaction further raises no other public interest concerns.

Conclusion

- [11] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no public interest issues arise from the proposed transaction. Accordingly, we approve the proposed transaction unconditionally.



Ms Yasmin Carrim

25 November 2015
DATE

Ms Andiswa Ndoni and Mr Anton Roskam concurring

Tribunal Researcher: Aneesa Ravat
For the merging parties: John Oxenham of Nortons Inc
For the Commission: Hugh Dlamini, Seema Nunkoo and Xolela Nokele

¹ *Inter alia* merger record page 7.