

## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM009Apr22

In the matter between:

Woolworths (Pty) Ltd

**Primary Acquiring Firm**

And

Micawber 463 (Pty) Ltd

**Primary Target Firm**

---

Panel: I Valodia (Presiding Member)  
F Tregenna (Tribunal Member)  
A Ndoni (Tribunal Member)

Heard on: 17 June 2022  
Decided on: 17 June 2022  
Reasons issued on: 17 June 2022

---

### ORDER

---

Further to the recommendation of the Competition Commission in terms of section 14A(1)(b) of the Competition Act, 1998 (“the Act”) the Competition Tribunal orders that–

1. the merger between the abovementioned parties be approved in terms of section 16(2)(a) of the Act; and
2. a Merger Clearance Certificate be issued in terms of Competition Tribunal Rule 35(5)(a).

Signed by: Imraan Valodia  
Signed at: 2022-06-17 09:49:39 +02:00  
Reason: Witnessing Imraan Valodia

*Imraan Valodia*

---

**Presiding Member  
Prof Imraan Valodia**

**17 June 2022**

---

**Date**

**Concurring: Prof Fiona Tregenna and Ms Andiswa Ndoni**



**competitiontribunal**  
SOUTH AFRICA

# Merger Clearance Certificate

**Date** : 17 June 2022

**To** Webber Wentzel Attorneys

Case Number: LM009Apr22

Woolworths (Pty) Ltd and Micawber 463 (Pty) Ltd

## Notice CT 10

### About this Notice

This notice is issued in terms of section 16 of the Competition Act.

You may appeal against this decision to the Competition Appeal Court within 20 business days.

You applied to the Competition Commission on **14 April 2022** for merger approval in accordance with Chapter 3 of the Competition Act.

Your merger was referred to the Competition Tribunal in terms of section 14A of the Act or was the subject of a Request for consideration by the Tribunal in terms of section 16(1) of the Act.

After reviewing all relevant information, and the recommendation or decision of the Competition Commission, the Competition Tribunal approves the merger in terms of section 16(2) of the Act, for the reasons set out in the Reasons for Decision.

This approval is subject to:

no conditions.

the conditions listed on the attached sheet.

The Competition Tribunal has the authority in terms of section 16(3) of the Competition Act to revoke this approval if

- a) it was granted on the basis of incorrect information for which a party to the merger was responsible.
- b) the approval was obtained by deceit.
- c) a firm concerned has breached an obligation attached to this approval.

### Contacting the Tribunal

The Competition Tribunal  
Private Bag X24  
Sunnyside  
Pretoria 0132  
Republic of South Africa  
tel: 27 12 394 3300  
e-mail: [ctsa@comptrib.co.za](mailto:ctsa@comptrib.co.za)

### The Registrar, Competition Tribunal



## COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case no: LM009Apr22**

In the large merger between:

**Woolworths (Pty) Ltd**

Primary Acquiring Firm

And

**Micawber 463 (Pty) Ltd**

Primary Target Firm

---

### REASONS FOR DECISION

---

- [1] On 17 June 2022, the Competition Tribunal (“Tribunal”) unconditionally approved the large merger between Woolworths (Pty) Ltd (“Woolworths”) and Micawber 463 (Pty) Ltd (“Micawber 463”). In terms of the proposed transaction, Woolworths will acquire the remaining extent of Erf 31564 Pinetown (“Target Property”) from Micawber 463.
- [2] Woolworths is controlled by Woolworths Holdings Limited (“WHL”)<sup>1</sup> and forms part of the Woolworths Group.
- [3] The Woolworths Group operates a chain of retail stores offering a range of clothing, food, homeware, beauty, and financial services. In addition, it owns various retail, industrial, and office property across South Africa.
- [4] Micawber 463, is controlled by JBSA Props (Pty) Ltd which is in turn, controlled by the June Alexander Family Trust. Micawber 463 owns and controls the Target Property.
- [5] The Target Property is classified as a rentable light industrial property, located at 20 Surprise Road Pinetown. It is currently leased to Masstores (Pty) Ltd, trading as Masstores Logistics and Massmart Services (“Massmart”). The management and duties in respect thereof are contractually performed by Massmart.

### Competition assessment

- [6] The Competition Commission (“Commission”) found no horizontal or vertical overlaps between the activities of the merging parties. Specifically, the Woolworths Group does not operate in the open market for rentable light industrial property<sup>2</sup> and there are no supply relationships between Woolworths and Micawber 463.

---

<sup>1</sup> The shares of WHL are widely held and not controlled by any firm.

<sup>2</sup> In this regard, the Woolworths Group owns Maxmead Distribution Centre (“Maxmead DC”) which is located in the Pinetown area. Maxmead DC is used internally by the Woolworths Group and has never been leased to third parties. The merging parties have indicated that Woolworths has no intention to place the property in the open market in the future.

[7] The Commission found that the proposed transaction will not lead to any substantial prevention or lessening of competition in any relevant market.

[8] On assessment of the evidence before us, we concur with this finding.

## **Public interest**

### *Employment*

[9] The merging parties submitted that the proposed transaction will not result in any retrenchments because Micawber 463 does not have any employees attached to the Target Property. The Commission engaged Woolworths' employee representative and confirmed that no concerns were raised by Woolworths employees in relation to the proposed transaction.

### *Spread of ownership*

[10] Micawber 463 has no Broad-Based Black Economic Empowerment ("B-BBEE") ownership while WHL has a B-BBEE ownership of 36.11%.

[11] The Commission is of the view that because the Target Property will be owned by Woolworths, which, ultimately is held by WHL, the Target Property will have a 36.11% indirect B-BBEE ownership.

[12] Given the above, we are of the view that the proposed transaction is unlikely to have a negative impact on employment or the promotion of a greater spread of ownership.

## **Conclusion**

[13] Based on the evidence set out above, the Tribunal is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. Furthermore, the proposed transaction raises no public interest concerns.

Signed by: Imraan Valodia  
Signed at: 2022-06-17 09:49:00 +02:00  
Reason: Witnessing Imraan Valodia

*Imraan Valodia*

17 June 2022

---

**Prof Imraan Valodia**

---

Date

**Prof Fiona Tregenna and Ms Andiswa Ndoni concurring**

Tribunal Case Managers:  
For the Merging Parties:

Matshidiso Tseki and Leila Raffee  
Robert Wilson, Andriza Liebenberg, and Tenisha  
Burslem-Rotheroe of Webber Wenzel

For the Commission:

Mishkah Abdool Sattar, Busisiwe Ntshingila, and  
Thabelo Masithulela