



## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case no: LM023May21

In the large merger between:

**AIF I Africa C&I Renewable Energy  
LLP**

**Primary Acquiring Firm**

And

**Reunert Investment Company No 2  
(Pty) Ltd**

**Primary Target Firm**

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### REASONS FOR DECISION

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Unconditional approval

- [1] On 23 June 2021, the Competition Tribunal unconditionally approved the large merger between AIF I Africa C&I Renewable Energy LLP (“AIF I C&I”) and Reunert Investment Company No 2 Proprietary Limited (“RIC2”).
- [2] The transaction entails AIF I C&I acquiring 13.87% of the issued share capital of RIC2 through Lumika Renewables (Pty) Ltd (“Lumika”) and obtaining certain shareholder veto rights in respect of RIC2.
- [3] Lumika was established for the purposes of the proposed transaction and currently does not conduct any business activities in South Africa. Lumika has no business operations and purely exists as a holding company. Accordingly, as part of the transaction Lumika will become jointly controlled by AIF I C&I (49.9%) and RAEH (50.1%) post-merger.
- [4] Post-merger AIF I C&I will exercise indirect joint control over RIC 2 through Lumika.
- [5] AIF I C&I was established for the purposes of the proposed transaction, and it does not conduct any business activities in South Africa. The APM Group comprises of firms

that engage in a wide range of business activities such as infrastructure, transportation and logistics and drilling services, amongst other activities.

- [6] The RIC Group installs solar photovoltaic solutions ("the TFS Solution") in retail centres, offices and factories. The TFS Solution (which essentially comprises of solar panels that are connected to the electricity systems of the building on which they are installed) allows the owner of the building to make use of solar energy to reduce its electricity consumption. The RIC Group also provides energy and water usage monitoring and management software solutions (called COPPER and AQUA respectively).
- [7] The Competition Commission ("Commission") considered the activities of the merging parties and found that the transaction will not result in any horizontal overlap as the APM Group does not control any firm that is active in the installation of solar photovoltaic solutions in South Africa. The APM Group holds interests in the infrastructure, transportation and logistics and drilling services, amongst other activities while the RIC Group is involved in the installation of solar photovoltaic solutions. Furthermore, the Commission found that there will be no vertical overlap between the activities of the merging parties as none provide a product or service that could be considered as an input in the business activities of another.
- [8] The proposed merger has no negative effect on employment as no retrenchments are envisaged. The employees of the RIC Group are represented by an employee representative as there is no trade union that represents a substantial number of employees within the RIC Group. The Commission engaged the relevant employee representative and the employee representative confirmed that the employees were made aware of the proposed transaction and no employee raised any concerns with the proposed transaction. Further, the merging parties have provided an unequivocal statement that the proposed transaction will not have a negative impact on employment.

[9] Taking all of the above into consideration, we concluded that the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition in any relevant market. The proposed transaction does not give rise to any public interest concerns.

[10] We therefore approved the merger.

  
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Ms Mondo Mazwa

23 June 2021  
Date

**Prof Fiona Tregenna and Dr Thando Vilakazi concurring.**

Tribunal Case Manager:

Busisiwe Masina

For the Merging Parties:

Desmond Rudman of Werksmans Attorneys

For the Commission:

Rethabile Ncheche and Ratshidaho Maphwanya