



competitiontribunal  
SOUTH AFRICA

**COMPETITION TRIBUNAL  
REPUBLIC OF SOUTH AFRICA**

**Case No.: LM153Jan25**

In the matter between:

Bidfood (Pty) Ltd

**Primary Acquiring Firm**

and

The Business conducted by Fridge Foods Group  
(Pty) Ltd

**Primary Target Firm**

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Panel	:	M Mazwai (Presiding Member)
	:	A Ndoni (Tribunal Member)
	:	I Valodia (Tribunal Member)
Heard on	:	28 March 2025
Order issued on	:	16 April 2025
Reasons issued on	:	16 May 2025

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**REASONS FOR DECISION**

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**Introduction**

- [1] On 16 April 2025, the Competition Tribunal (“Tribunal”) unconditionally approved the large merger involving two indivisible transactions. First, Bidfood (Pty) Ltd (“Bidfood”) intends to acquire the business conducted by Fridge Foods Group (Pty) Ltd (“Fridge Foods”) (the “Target Business”). Second, Bid Corporation Limited (“Bidcorp”), the ultimate controller of Bidfood, will acquire and have sole control of the Target Business, including [REDACTED] industrial properties in East London, [REDACTED] industrial property in Gqeberha, and [REDACTED] light industrial property in Montague, Cape Town (the “Target Properties”)<sup>1</sup>, owned by RHP Trust.

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<sup>1</sup> These are the premises from which the Target Business operates.

## The parties and their activities

## Primary Acquiring Firm

- [2] The primary acquiring firm is Bidfood, ultimately owned by Bidcorp, a company listed on the Johannesburg Stock Exchange. Bidcorp controls several firms across the globe and is not controlled by any shareholder. All firms directly and indirectly controlled by Bidcorp are referred to as the “Acquiring Group”.
- [3] The Acquiring Group provides global food services, fresh produce, logistics, and catering equipment. Relevant to the proposed transaction are the Acquiring Group’s activities in South Africa through Bidfood. Bidfood supplies a range of products, including food items, non-food items and catering equipment to customers such as coffee shops, restaurants, schools, hospitals, and prisons. It also operates a retail store called “Chef’s Shop,” offering dry, frozen, and general grocery items. Bidfood also owns property in Gqeberha’s business zone and a light industrial site in Montague Gardens, Cape Town.

*Primary Target Firm*

- [4] The primary target firm is Fridge Foods, whose shareholding is held by the Rogers Family Trust ([REDACTED]%), the Mark Rogers Family Trust ([REDACTED]%) and the D Sanan Family Trust ([REDACTED]%). Fridge Foods does not control any firm.
- [5] Fridge Foods operates food distribution and retail, supplying a broad range of products, including food items, non-food items, and catering equipment. Fridge Food operates from the [REDACTED] and runs four grocery retail stores under the "Exclusive Food" brand, with three stores located in East London and one in Gqeberha.

## Transaction rationale

- [6] For the Acquiring Group, the proposed transaction allows Bidfood to [REDACTED] Fridge Foods' complementary strengths and continue its legacy by maintaining and growing the business after the [REDACTED] For the Seller, the

████████████████████ so the proposed transaction will ensure business continuity, safeguard existing employment and support growth under the leadership of a successful and experienced organisation.

### **Indivisibility assessment**

- [7] The Competition Commission (the “Commission”) found Bidcorp's acquisition of the Target Properties and Bidfood's acquisition of the Target Business to be a single indivisible transaction, as they are closely linked and conditional on each other, with Bidcorp as the ultimate acquirer of the entire Target Group.

### **Third-party concerns**

- [8] The Commission consulted third parties, a competitor of Bidfood, which raised a concern that the merger could enhance the merging parties' buying power, enabling them to secure lower prices from suppliers and pass these discounts on to their customers.
- [9] In response, the merging parties argued that the market is highly fragmented, noting Bidfood sources █████ products from over █████ suppliers and Fridge Foods sources █████ products from more than █████ suppliers. They said this supplier diversity limits any real increase in their bargaining power.
- [10] The Commission noted that the merged entity's market share would be below 25%, with suppliers holding strong countervailing power as they serve multiple clients, including major retailers. Suppliers like █████ and █████ confirmed that all customers receive equal treatment in promotions and discounts, therefore, no further investigation was required.
- [11] █████ a long-time Fridge Foods customer, raised concerns that the merger could impact its █████ month fixed-price contracts, as Bidfood generally doesn't offer █████ pricing. With budget constraints in mind, █████ noted Fridge Foods is the only supplier in the Eastern Cape able to meet its full █████ needs, although other suppliers do bid on specific items.

- [12] The merging parties responded that [REDACTED] runs an [REDACTED] tender process where it accepts or rejects bids based on its terms. While fixed pricing beyond [REDACTED] months is uncommon, Fridge Foods committed to considering [REDACTED] needs and continuing [REDACTED]-month pricing, if viable. They added that [REDACTED] tender process gives it the power to negotiate competitive terms.
- [13] The Commission also found that [REDACTED] can source from both regional and national suppliers and that awarding contracts to a mix of large, small, and HDP-owned firms promotes competition.

### **The relevant markets**

- [14] Whilst the Commission did not conclude on the relevant geographic market, it did assess the proposed transaction nationally and regionally/provincially and found it horizontal overlaps in three areas; (i) market for the distribution of food and associated products; (ii) market of retail sale of groceries and (iii) the market for rentable light industry property. There was no vertical overlap.
- [15] The Commission's approach to market delineation aligns with case law. For defining a market for the distribution of locally manufactured and imported frozen, chilled and dry food products (and associated products) to the food service industry, i.e. restaurants, hotels and fast food and take-away outlets, both nationally and provincially, it followed *Bid Industrial Holdings/Star Sea Wholesalers* and defined the market as distribution of food items and associated products<sup>2</sup>. In this market, the Commission assessed the effects of the proposed transaction both nationally and regionally, focusing on the Eastern and Western Cape provinces where the Target Business operates, without definitively concluding on the relevant geographic market.

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<sup>2</sup> Bid Industrial Holdings Proprietary Limited, A&S Food Distributors Proprietary Limited, A&S Food Distributors 13 Gauteng Proprietary Limited and Star Sea Wholesalers Proprietary Limited Case No.: 78/LM/Sep11. ("Bid Industrial Holdings/Star Sea Wholesalers")

- [16] In the grocery retail space, the Commission used the market as defined in *PnP Retailers/PnP Douglasdale*<sup>3</sup>, which is the market for retail of grocery items. In this market, the Tribunal found that a 3km radius is the appropriate geographic scope for assessing the retail grocery market, consistent with case law, including the *SPAR Group/Super-A-Super*.<sup>4</sup>
- [17] For light industrial property, this market delineation aligns with case law, including the *Unico Property/Khumonetix*<sup>5</sup> concerning six industrial properties where a 15km market was accepted. In this transaction, the light property of the Acquiring Group and Fridge Food are 2.5km apart.
- [18] While the Commission did not conclude on the relevant market, it assessed the impact of the proposed transaction on the distribution of food and related products both nationally and in the Eastern and Western Cape. It will also consider the effects on the market for rentable light industrial properties in Montague Gardens, Cape Town, due to the horizontal overlap.

## **Competition assessment**

### Market for the distribution of food items and associated products

- [19] In the national market for the distribution of food items and associated products, the Commission considered the merging parties' estimated market shares and found that Bidfood has [REDACTED]% and the Target Business has [REDACTED]%. Post-merger, their combined market share will be approximately [REDACTED]%.
- [20] In the Eastern Cape, the estimated market share was also [REDACTED]% for Bidfood and [REDACTED]% for the Target Business. Post-merger, their combined market share will be approximately [REDACTED]%.

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<sup>3</sup> Pick n Pay Retailers (Pty) Ltd v Pick n Pay Douglasdale Family Supermarket & Liquor Store, Case No.: LM114Sep22. ("PnP Retailers/PnP Douglasdale")

<sup>4</sup> SPAR Group Limited and Super-A-Super Store (Pty) Ltd and Super-A-Liquor (Pty) Ltd, Case No.:2023Jun0018. ("SPAR Group/Super-A-Super")

<sup>5</sup> Unico Property Partners (Pty) Ltd v Khumonetix (Pty) Ltd in Respect of 6 Industrial Properties, Case No.: LM154Dec22. ("Unico Property/Khumonetix")

- [21] In the Western Cape, Bidfood's estimated market share was [REDACTED]% and the Target Business's [REDACTED]%. Post-merger, their combined market share will be approximately [REDACTED]%.
- [22] The Commission also consulted market participants, who indicated that the merged entity would continue to face competition from firms such as Famous Brands, Sea Harvest, Rhodes Food Group, Key Distributors, and Clover. Customers noted that Bidfood and the Target Business are not close competitors and that alternative suppliers would continue to constrain the merged entity, especially given customers' ability to switch and exercise countervailing power.
- [23] We noted that the Commission assessed the market shares at a provincial level, treating "regional" as equivalent to "provincial". However, regional markets may exist within the province, for example, in the Eastern Cape, a region could be East London and its surroundings, or Gqeberha and its surroundings, with similar possibilities in the Western Cape. We, therefore, requested further information from the parties to provide evidence or data on the market shares for the different regions within the provinces.
- [24] The merging parties did not provide market share data for East London and Gqeberha, citing a lack of data at that level and no third-party sources. The Commission, however, highlighted strong competition from wholesalers, retailers, manufacturers, and other distributors, with low switching costs, no customer lock-in, and high price sensitivity facilitating supplier switching.
- [25] Moreover, argued that a 5% price increase would cause significant customer loss, undermining volume-based operations and preventing market power exercise, even in narrower markets. Post-merger, the combined entity will operate [REDACTED] refrigerated trucks [REDACTED]). Competitors have similar or larger fleets, with one competitor operating around 10 trucks in Plettenberg Bay and another managing approximately 14 trucks regionally.
- [26] Regarding cold storage, the merged entity will have about [REDACTED] pallet slots in Gqeberha, comparable to a competitor with roughly [REDACTED] slots, while other

regional players hold capacities ranging from a few hundred to several thousand slots. In East London, the merged entity will have close to [REDACTED] pallet slots, with several competitors active in the area, though their exact capacities are not publicly available.

- [27] Based on the above, we did not identify any competition concerns in relation to the defined markets.

#### Market for rentable light industry property

- [28] The Commission considered the merging parties' estimated market shares in Montague Gardens and found that Bidfood has [REDACTED]% and the Target Business has [REDACTED]%. Post-merger, the combined market share will be approximately [REDACTED]%. As of January 9, 2025, Property24.com reported about 697 light industrial properties available for rent in Montague Gardens, excluding the merging parties' properties, as they are used for their operations.

- [29] Given the above, the Commission found that the proposed transaction is unlikely to significantly affect competition in the market for rentable light industrial property in Montague Gardens, Cape Town. As such, no further investigation is needed.

- [30] Based on the above, we also did not identify any competition concerns in relation to the defined market.

#### **Restraint of Trade**

- [31] The proposed transaction includes a Sales of Business Agreement with a three-year nationwide restraint of trade. The Commission initially proposed reducing this to two years and limiting it to the Eastern and Western Cape.

- [32] The merging parties argued that three-year non-compete restraints are standard in the food services industry, where long-term supply agreements are rare. They

explained that this period was necessary to retain the target's customer base and protect goodwill during integration. They also argued that limiting the restraint geographically could enable former owners to re-enter the market and serve national customers. The Commission accepted the rationale and concluded that a three-year national restraint was reasonable and unlikely to harm competition in South Africa.

- [33] We agree that the three-year national restraint of trade is reasonable and justified. We are satisfied that it does not raise material competition concerns and is unlikely to substantially harm competition in any relevant market in South Africa.

## **Public interest**

### *Effect on employment*

- [34] The merging parties confirmed that no merger-specific retrenchments would occur. Trade unions raised no concerns. The Target Business's employee representative stated staff were informed and their questions on employment conditions, pay, benefits, and retirement age were addressed, with no further issues raised.

- [35] In light of this, we are satisfied that the merger is unlikely to negatively impact employment.

### *Effect of the promotion of the greater spread of ownership by historically disadvantaged persons (HDPs)*

- [36] The merging parties noted that Bidfood holds a level 3 B-BBEE rating. While the Target Business does not have any HDPs ownership, they submitted that the proposed transaction would promote HDP ownership since Bidfood's voting rights (91.85%) and economic interests (95.84%) are predominantly held by HDPs.



[37] In light of the above, we found no basis to disagree with the Commission that the proposed transaction will promote HDP ownership in the Target Business.

[38] We find that there are no further public interest issues on this ground.

## **Conclusion**

[39] Given the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market and does not raise any significant public interest concerns.

[40] We therefore approved the proposed transaction with no conditions.

Signed by: Imraan Valodia  
Signed at: 2025-05-16 11:59:35 +02:00  
Reason: Witnessing Imraan Valodia

*Imraan Valodia*

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**Prof. Imraan Valodia**

**16 May 2025**

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**Date**

**Ms Andiswa Ndoni and Ms Mondo Mazwai concurring.**

Tribunal Case Manager: Theresho Galane and Moleboheng Mhlati

For the Merger Parties: Natalia Lopes of ENS Africa

For the Commission: Zintle Siyo and Betty Mkatshwa