

**COMPETITION TRIBUNAL OF SOUTH AFRICA**

**Case No: LM080Aug24**

In the matter between:

MGCF III Investments and Metier Capital Growth Fund  
III GP (Pty) Ltd, in its capacity as Ultimate General  
Partner of Metier Capital Growth Fund III Partnership

Primary Acquiring Firms

and

Blinkwater Meule (Pty) Ltd

Primary Target Firm

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Panel:	AW Wessels (Presiding Member) I Valodia (Tribunal Member) A Kessery (Tribunal Member)
Heard on:	25 September 2024
Last submission on:	02 October 2024
Order issued on:	03 October 2024
Reasons issued on:	29 October 2024

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**REASONS FOR DECISION**

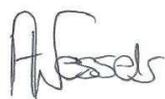
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1. On 03 October 2024, the Competition Tribunal (“Tribunal”) conditionally approved the large merger in terms of which Metier Capital Growth Fund III GP (Pty) Ltd (“MCGF III”), in its capacity as ultimate general partner of Metier Capital Growth Fund III partnership (the “acquiring group”) intends to acquire ████████ of the issued share capital in Blinkwater Meule (Pty) Ltd (“Blinkwater”). Post-merger, MCGF III will exercise joint control over Blinkwater.
2. The acquiring group is a growth capital private equity investor managing third-party capital from various investors.
3. Blinkwater is a producer of maize meal for human consumption and hominy chop for animal consumption. Blinkwater distributes its maize meal via its own network of approximately 325 spaza stores as well as through independent wholesalers and retailers. It also supplies small amounts of rice, flour and sugar at its spaza shop depots. Blinkwater conducts its business activities throughout South Africa, particularly in the Mpumalanga and Limpopo provinces.
4. The Competition Commission (the “Commission”) assessed the activities of the merging parties and found that the proposed transaction does not result in any horizontal or vertical overlap. Given that the acquiring group does not have any interest in any firm that has activities that could be considered as substitutable with those of Blinkwater, the Commission found that the transaction is unlikely to result in any substantial prevention or lessening of competition in any relevant market. We concur with this conclusion.
5. The merging parties confirmed that the proposed transaction will not have any adverse impact on employment.<sup>1</sup>
6. Neither of the merging parties have any ownership by historically disadvantaged persons (“HDPs”).

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<sup>1</sup> Form CC4(1): Schedule 2 at p9 of the Merger Record.

7. The merging parties, following engagements with the Commission, tendered certain conditions to address the above.
8. The Tribunal ultimately approved the proposed transaction subject to the following conditions:
  - 8.1. In relation to employment, the merging parties shall create more jobs as a result of the implementation of certain capital expenditure ("CAPEX") projects relating to expanding an existing Blinkwater milling facility in Stoffberg in Mpumalanga, and recommissioning an inactive mill in Mbombela, Mpumalanga. The CAPEX projects include the commissioning of a 1MW solar plant at the Stoffberg mill. The merging parties will ensure that a total of 101 jobs are created following the approval date of the proposed transaction as follows (it being recorded that the numbers of jobs allocated under each business segment below are estimated, but without derogating from the obligation overall to create the total number of new jobs stipulated):
    - 8.1.1. create 20 new jobs at the expanded; recommissioned and newly commissioned milling facilities by 31 December 2026;
    - 8.1.2. establish 50 new Spaza Shop Depots<sup>2</sup> by 31 December 2028 which in turn will create 50 new jobs at the Spaza Shop Depots by 31 December 2028; and
    - 8.1.3. create 31 new jobs elsewhere in the distribution network owned by Blinkwater by 31 December 2028.
  - 8.2. In relation to procurement, after the implementation date of the proposed transaction, the merged entity shall:
    - (i) continue to use the Spaza Shop Depots to procure maize from HDP farmers;
    - (ii) continue to lease property from local community members and will increase the number of leases by 50 by 31 December 2028; and
    - (iii) utilize HDP firms for the commissioning of the solar plant included in the CAPEX projects, and will continue to use HDP firms for its solar installations and maintenance services for a period of three years after the implementation date of the proposed transaction. The value of the above solar plant procurement, including maintenance, for the period of three years after the implementation date will be no less than R [REDACTED] excluding VAT.



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**Presiding Member**  
**Mr Andreas Wessels**

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**29 October 2024**

**Date**

**Concurring: Prof Imraan Valodia and Adv Anisa Kessery**

Tribunal case manager:	Leila Raffee
For the merging parties:	Chris Charter, Albert Aukema, and Ntobeko Rapuleng of Cliffe Dekker Hofmeyr Inc
For the Commission:	Rethabile Ncheche and Themba Mahlangu

<sup>2</sup> "Spaza Shop Depots" means the distribution network consisting of convenience businesses, and maize delivery and collection points [REDACTED] operated in underserved and informal areas by members of the local community.