



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No:17/LM/Feb12

In the matter between:

Unitrans Supply Chain Solutions (Pty) Ltd

Acquiring Firm

And

Tanzer Transport (Pty) Ltd

Target Firm

Panel : Yasmin Carrim (Presiding Member),
Andiswa Ndoni (Tribunal Member)
and Taki Madima (Tribunal Member)
Heard on : 28 March 2012
Reasons issued on : 03 May 2012

Reasons for Decision

Approval

- 1] On 28 March 2012 the Competition Tribunal (“Tribunal”) approved the merger between Unitrans Supply Chain Solutions (Pty) Ltd and Tanzer Transport (Pty) Ltd. The reasons for approval follow below.

The Transaction

- 2] The primary acquiring firm is Unitrans Supply Chain Solutions (Pty) Ltd (“Unitrans”), a company incorporated in terms of the company laws of the Republic of South Africa. Unitrans is a wholly-owned subsidiary of Unitrans Holdings (Pty) Ltd (“Unitrans” Holdings). Unitrans Holdings is a wholly-owned subsidiary of Steinhoff Investments Holdings Limited (“Steinhoff”). Unitrans forms part of the Steinhoff group which is a multinational, integrated lifestyle supplier which focuses on manufacturing and sourcing, logistic, furniture and household retail goods in Southern Africa, Europe and Australia. Unitrans provides logistic services in South Africa.
- 3] The primary target firm is Tanzer Transport (Pty) Ltd (“Tanzer”). Tanzer is a privately owned company incorporated in terms of the company laws of the Republic of South Africa. Tanzer provides transport services, in particular, warehousing and secondary distribution services to Pick n’ Pay.

The Rationale

- 4] In terms of the Sale of Business Agreement, Unitrans intends to acquire control of part of the business of Tanzer, including a fleet of temperature controlled refrigerated vehicles and drivers and people managing and controlling the site. Pursuant to the implementation of the proposed transaction, Unitrans will control the temperature controlled refrigerated vehicles and employees of Tanzer.

The relevant market and the impact on competition

- 5] The proposed transaction results in a horizontal overlap and vertical integration. The horizontal overlap occurs in respect of the distribution of perishable food in the temperature-controlled refrigerated vehicles.

The vertical relationship occurs as the fleet of Tanzer, has been subcontracted by Unitrans to transport perishable food in the temperature-controlled refrigerated vehicles from Pick n Pay

Distribution Centres to various Pick n Pay stores located country wide (except KwaZulu Natal). The service was provided pre-merger and will continue post merger.

The Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition as the merged entity's market share post-merger will be 9%. The Commission therefore, recommends that the proposed transaction be approved without conditions.

CONCLUSION

6] There are no significant public interest issues and we accordingly approve the transaction.

Y Carrim

03 May 2012
DATE

Andiswa Ndoni and Taki Madima concurring.

Tribunal Researcher: Thabani Ngilande

For the merging parties: Cliffe Dekker Hofmeyr

For the Commission: Mogalane Matsimela