



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No:74/LM/Jul12

In the matter between:

Morbei Trade and Invest 180 (Pty) Ltd

Acquiring Firm

And

Metcash Trading Africa (Pty) Ltd

Target Firm

Panel	:	Yasmin Carrim (Presiding Member), Norman Manoim (Tribunal Member) Andreas Wessels (Tribunal Member)
Heard on	:	07 August 2012
Order issued on	:	07 August 2012
Reasons issued on	:	28 August 2012

Reasons for Decision

Approval

[1] On 07 August 2012 the Competition Tribunal ("Tribunal") unconditionally approved the merger between Morbei Trade Invest 180 (Pty) Ltd and Metcash Trading Africa (Pty) Ltd. The reasons for approval follow below.

The Transaction

[2] The primary acquiring firm is Morbei Trade and Invest 180 (Pty) Ltd ("Morbei"), a private company incorporated in accordance with the laws of the Republic of South Africa. Morbei is a newly formed entity controlled by Mr Rayhaan Hassim. Mr Rayhaan Hassim directly and indirectly controls 33 companies which form part of the Hassim Group.

[3] The primary target firms comprise of a number of stores which are currently owned and controlled by Metcash Trading Africa (Pty) Ltd ("Metcash").¹

The Rationale

[4] In terms the Sale of Share and Subordinate Loans Agreement, Morbei intends to acquire the target stores from Metcash and Metcash liabilities. On completion of the proposed transaction, Morbei will control the target stores. The target stores will thus form part of the Hassim Group.

[5] The Hassim Group wishes to enter the groceries and general merchandise market and has identified the target stores as representing the best opportunity for such entry.

The relevant market and the impact on competition

[6] Morbei is a specialised purpose vehicle formed specifically for the purposes of the proposed transaction and as such it does not provide any services.²

[7] The target stores are active in the retailing and wholesaling of grocery and general merchandise products; and the retailing and/or wholesaling of liquor products.

¹ See page 3 of the Commission's recommendations.

² The Hassim Group is active in the following markets:

- Retail, maintenance and repair of motor vehicles market;
- Repair of personal and household goods market;
- Wholesale and retail of petroleum markets;
- Supply of financial advisory and intermediary services market; and
- Property investment.

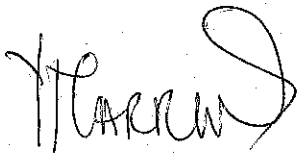
[8] There is no product overlap between the activities of the merging parties because the acquiring group is not active in the markets where the target stores are active, being the retailing/wholesaling of grocery, general merchandise and liquor products.

[9] The Commission is of the view that the proposed transaction is unlikely to lead to a substantial lessening of competition, as there is no overlap between the activities of the merging parties. Further, the acquiring group has structures in place which will assist them to remain effective competitors in the retailing/wholesaling of grocery market.

[10] We agree with the Commission that the proposed transaction is unlikely to prevent or lessen competition because there is no overlap in the activities of the merging parties.

CONCLUSION

[11] There are no significant public interest issues and we accordingly approve the transaction without conditions.



Y Carrim

28 August 2012

DATE

N Manoim and A Wessels concurring.

Tribunal Researcher: Thabo Ngilande

For the merging parties: Fluxmans Attorneys

For the Commission: Themba Mahlangu