COMPETITION TRIBUNAL

REPUBLIC OF SOUTH AFRICA

Case Number: 23/LM/Feb00

In the large merger between

Ford Motor Company

and

South African Motor Corporation (Pty) Ltd

Reasons for the Competition Tribunal's Decision

Approval

The Competition Tribunal issued a Merger Clearance Certificate on 5 April 2000 approving the merger between Ford Motor Company and South African Motor Corporation (Pty) Ltd (Samcor) without conditions. The reasons for our decision to approve the merger are set out below.

The merger transaction

Ford is purchasing all the issued and outstanding shares in Samcor held by Anglo South Africa (Pty) Ltd and the Samcor Employees Trust (SET). Anglo South Africa holds 45% and SET 10% of the shares in Samcor, with the balance held by the Ford Motor Company. The transaction will be completed in two stages and will be finalized by 31 December 2001. Samcor will become a wholly owned subsidiary of Ford upon purchase by Ford of all the shares currently held by Anglo South Africa and SET.

Ford intends to continue to conduct the business of Ford (through Samcor and Ford Credit SA) in substantially the same manner as was conducted prior to the transaction. Ford does not intend to decrease the staffing level, type of business performed or the way in which Samcor's business operates in South Africa.

Evaluating the merger

Ford, which is the second largest motor manufacturer in the world, is active in South Africa only in respect of its sales to Samcor and by virtue of its interests in Samcor and Ford Credit SA. Ford does not supply products or services in South Africa other than to these two companies.

The Tribunal agrees with the Competition Commission that the transaction would not affect competition in any of the relevant product markets because Ford is only increasing its shareholding in Samcor in which it is already holding a significant interest. The Tribunal is also satisfied that the merger does not raise any public interest concerns listed in section 16(3).

N.M. Manoim **Date**

Concurring: D.H. Lewis and S. Zilwa