COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 46/LM/May08

In the matter between:

TATA Motors Ltd Acquiring Firm

and

Jaguar Land Rover Target Firm

Panel	:	D Lewis (Presiding Member), Y Carrim (Tribunal Member) and U Bhoola (Tribunal Member)
Heard on	:	30 May 2008
Order issued on	:	30 May 2008
Reasons issued on	:	26 June 2008

Reasons for Decision

Introduction

[1] On 12 June 2008 the Tribunal approved the acquisition by TATA Motors Ltd of the Jaguar and Land Rover businesses of Ford Motor Company. The reasons follow below.

The transaction and parties

[2] TATA Motors Ltd ("TATA Motors") is acquiring the Jaguar and Land Rover businesses of Ford Motor Company ("Ford").

[3] TATA Motors is an India based company which manufactures and supplies passenger cars, commercial vehicles and buses, primarily in India. The largest shareholder in TATA Motors is TATA Sons Ltd which, together with its affiliates, own approximately to 33.4% of the issued share capital in TATA Motors.

[4] The Jaguar and Land Rover businesses are controlled by Ford, a public company listed in New York and the Pacific Stock Exchanges in the United States, as well as stock exchanges in Belgium, France, Germany, Switzerland and United Kingdom. Ford is not controlled by any single shareholder.

Rationale for the transaction

[5] According to TATA Motors the acquisition is part of its growth strategy to enter the mid-priced and premium passenger vehicle segments where it has limited presence. Ford indicated that it wants to focus on its core Ford brand.

Effect on Competition

[6] TATA Motors supplies passenger cars and light commercial vehicles to South Africa. It does not manufacture any vehicles in South Africa nor does it import vehicles on behalf of any other vehicle manufacturers. The vehicles supplied by TATA are passenger cars within the entry level, the small and the lower middle vehicle segments as well as the lower middle utility segment, also referred to as SUV's. It also sells light commercial vehicles ("LCVs") in South Africa.[1]

[7] The Jaguar brand is described as premium or luxury passenger and sports cars and the Land Rover brand as four wheel drive off-road utility vehicles or SUV's which fall within the upper middle vehicle segment. TATA also supplies SUVs, however, TATA's utility vehicles can be distinguished from Land Rover's brands with regard to price and performance. TATA focuses on the lower middle utility segment while Land Rover's SUVs, as stated above, are classified as upper middle segment.

[8] It therefore follows that within the narrow product markets in which the parties supply vehicles namely the lower middle and upper middle SUVs market and the commercial LCV market there are no product overlap. If one considers the effect of the transaction on the broad market for the supply of passenger vehicles one finds that the market share of the merged entity is very small,

[1] The parties indicated that the Land Rover brand in certain cases could be converted and sold as LCV's.

3.2%, and thus unlikely to have a negative effect on competition post the transaction.

PUBLIC INTEREST

[9] The transaction does not raise any significant public interest concerns.

CONCLUSION

[10] We therefore find that the transaction is unlikely to substantially prevent or lessen competition in the relevant product markets.

____________________	**<u>26 June 2008</u>**
Y Carrim	Date

D Lewis and U Bhoola concurring.

Tribunal Researcher:	R Badenhorst
For the merging parties:	Webber Wentzel Bowens
For the Commission:	K Mahlakoane and X Nokele