

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 65/LM/Jun07

In the matter between:

The Bidvest Group Ltd

Acquiring Firm

And

Viamax (Pty) Ltd

Target Firm

Panel : D Lewis (Presiding Member), N Manoim (Tribunal Member) and Y Carrim (Tribunal Member)
Heard on : 22 August 2007
Order issued on : 22 August 2007
Reasons issued on : 18 September 2007

Reasons for Decision

Approval

1]On 22 August 2007, the Tribunal approved the merger between Bidvest Group Ltd and Viamax (Pty) Ltd. The reasons follow below.

The Transaction

2]Bidvest Group Ltd (“Bidvest”) intends to acquire the entire issued share capital of Viamax (“Pty”) Ltd (“Viamax”), a fleet management service provider owned by Transnet Limited.¹ Viamax owns two subsidiaries, Viamax Fleet Solutions (Pty) Ltd and Viamax Fleet Management (Pty) Ltd.

3]Bidvest is a public company listed on the JSE and has several subsidiaries worldwide. In South Africa Bidvest owns a fleet management company through McCarthy Fleet Services.

¹ A five year exclusive contract with Transnet was included as part of the transaction

Rationale for the transaction

4]Transnet is currently disposing all the assets which it considers to be non-core to its business activities, including Viamax. Bidvest, as a relative new entrant, wishes to gain a more competitive foothold in the South African fleet management services market and the acquisition of Viamax presents it with such an opportunity.²

The relevant market and the impact on competition

5]Both parties provide fleet management services to customers. These services include vehicle financing, vehicle maintenance, administration of vehicle licences and purchasing and sale of vehicles. The geographic market is national.

6]97% of Viamax's fleet management services were provided to Transnet and the remaining 3% to municipalities. It could therefore be regarded as an in-house service provider of Transnet which did not compete in the open market. Post the transaction the merged entity, with its market share of 12%, will compete more effectively with other participants in the market such as Imperial Fleet Services which has a market share of 20%, Avis Fleet Services with a market share of 17% and Debis with 20%, to name but a few. Subsequent to the expiry of the five year exclusive contract Transnet will again invite participants to tender for this contract.

7]In light of the above we find that the transaction would not substantially prevent or lessen competition the relevant markets but rather enhance competition.

CONCLUSION

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

² It entered this market during July 2005.

N Manoim

18 September 2007

Date

D Lewis and Y Carrim concurring

Tribunal Researcher:

R Badenhorst

For the merging parties:

Bowman Gilfillan Attorneys

For the Commission:

Makgale Mohlala and David Masilela