



**COMPETITION TRIBUNAL  
REPUBLIC OF SOUTH AFRICA**

**Case No.: LM112Oct24**

In the matter between:

**DSV Holding Germany GmbH**

**Primary Acquiring Firm**

and

**Schenker Aktiengesellschaft**

**Primary Target Firm**

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Panel	:	I Valodia (Presiding Member)
	:	A Ndoni (Tribunal Member)
	:	G Budlender (Tribunal Member)
Heard on	:	12 December 2024
Order issued on	:	12 December 2024
Reasons issued on	:	19 December 2024

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**REASONS FOR DECISION**

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**Introduction**

- [1] On 12 December 2024, the Competition Tribunal (“Tribunal”) conditionally approved a large merger wherein DSV Holding Germany GmbH (“BidCo”) intends to acquire 100% of the shares of Schenker Aktiengesellschaft (“Schenker”). Post-merger, BidCo will have sole control of Schenker.

## **The parties and their activities**

### *Primary Acquiring Firm*

- [2] The primary acquiring firm is BidCo, a German-incorporated company, ultimately owned and controlled by DSV A/S Denmark (DSV). DSV is a public company listed on the NASDAQ Copenhagen (Denmark). DSV is not controlled by any firm.
- [3] BidCo does not control any firm whereas DSV controls several firms globally, including the following firms in South Africa; DSV Africa Holding (Pty) Ltd 100%, DSV South Africa (Pty) Ltd 75%, DSV Solutions (Pty) Ltd 100%, DSV Road (Pty) Ltd 100% and Globeflight Worldwide Express (SA) Pty Ltd 100%. DSV and its subsidiaries are collectively referred to as the “DSV Group”.
- [4] DSV operates in over 80 countries across Europe, America, Asia-Pacific, the Middle East, and Africa, providing freight forwarding and logistics services. Its headquarters are located in Hedeheusene, Denmark.

### *Primary Target Firm*

- [5] The primary target firm is Schenker, also a German incorporated company wholly owned by a subsidiary of Deutsche Bahn Aktiengesellschaft (“DB”). DB in turn is wholly owned by the German State.
- [6] Schenker controls several firms globally, including the following firms in South Africa; Schenker South Africa (Pty) Ltd (“Schenker SA”) [REDACTED] and DB Schenker Logistics Campus MEA (Pty) Ltd (“Campus”) [REDACTED]
- [7] Schenker operates in over 76 countries as a global freight forwarding and logistics company, offering road/land, air, and sea freight forwarding services. In South Africa, these services are provided through Schenker SA.

## Competition assessment

- [8] The Commission assessed the activities of the merging parties and found that there is a horizontal overlap, as both DSV and Schenker operate in the provision of freight forwarding services and contract logistics services.
- [9] There is also a vertical overlap, as both merging parties globally own and lease a limited fleet of land transport services (trucks), which are used as inputs for freight forwarding.
- [10] The Commission assessed the following markets: (i) the national market for the provision of freight forwarding and clearing services; and (ii) the national market for the provision of contract logistics and warehousing services.

### *The national markets for the provision of freight forwarding and clearing services*

- [11] The Commission adopted the merging parties' estimate that the merged entity will have a market share of [REDACTED] with an accretion of [REDACTED]. The Commission found that the market is characterised by significant competitive pressure from various well-resourced firms, including, DP World Logistics (Imperial Logistics), Value Logistics, DHL Global Forwarding, Kuehne & Nagel, Bidvest and RTT.

### *The national market for the provision of contract logistics and warehousing services*

- [12] The Commission adopted the merging parties' estimate that the merged entity will have a market share of [REDACTED], with an accretion of [REDACTED]. Similarly, the Commission engaged with competitors and customers of the merging parties to get a sense of the market dynamics, and to understand the position of merging parties in this market. The competitors and customers identified above mentioned the following players as alternatives to the merging parties, amongst

others: DSV, Kuehne & Nagel, Schenker, DHL, DP World, Bidvest Freight, Grindrod, Expeditors, Hellmann's, Salvino Del Bene, Berry and Donaldson.

[13] A large competitor has also indicated that the market is very fragmented, and there are many alternatives available for customers, which reduces the likelihood of competition in the freight forwarding services market, indicating a fragmented market with numerous competitors

[14] Based on the above, we are of the view that the merged entity is unlikely to exercise significant market power due to the presence of numerous competitors.

### **Creeping mergers**

[15] DSV has previously been involved in three merger transactions over the past five years, but the current transaction is not expected to substantially prevent or lessen competition in the affected markets.

[16] The Commission deems it necessary to continue monitoring DSV's acquisitions in these markets.

[17] Based on the above, it does not appear that the present transaction raises creeping merger concerns.

### **Public interest**

#### *Effect on employment*

[18] The merging parties anticipate some redundancy might occur in South Africa. However, they are committed to ensuring that there will be no merger-specific retrenchments for employees below the top management and senior management levels, which includes professionally qualified, skilled, and semi-skilled employees.

*Unions*

- [19] South African Transport and Allied Workers Union (“SATAWU”) expressed concerns about [REDACTED] in the Free State and Limpopo, [REDACTED]. While DSV assured that members would not be affected, concerns persisted regarding the Limpopo branch, [REDACTED]. Following engagements with the Commission, DSV clarified that [REDACTED] for further consultation with SATAWU.
- [20] Furthermore, the merging parties have committed to a three-year moratorium on retrenchments.
- [21] In respect of public interest, we are satisfied that the merger will not have any negative effect on the factors set out in section 12A (3) of the Competition Act.

*Effect of the promotion of greater spread of ownership*

- [22] According to the merging parties, DSV South Africa is 25% owned by the DSV Empowerment Trust, benefiting Historically Disadvantaged Persons (HDPs) Schenker SA is [REDACTED] HDP owned through the LIV Equity Trust, supporting vulnerable children.
- [23] The proposed transaction will increase HDP ownership in Schenker SA from [REDACTED] to [REDACTED], an [REDACTED] increase.
- [24] [REDACTED] which supports small black businesses in South Africa. The model includes contracts with [REDACTED] owner-driver businesses, employing [REDACTED] and [REDACTED] vehicles, with [REDACTED] of the businesses being HDP-owned. DSV’s contracts are [REDACTED]
- [25] We find that no further interventions are required on this public interest ground.

## Conclusion

[26] For the reasons set out above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market and does not raise any significant public interest concerns.

[27] We therefore approve the proposed transaction subject to the conditions attached as Annexure "A".

Signed by: Imraan Valodia  
Signed at: 2024-12-19 16:45:24 +02:00  
Reason: Witnessing Imraan Valodia

*Imraan Valodia*

**19 December 2024**

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**Prof. Imraan Valodia**

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**Date**

**Ms Andiswa Ndoni and Adv. Geoff Budlender SC concurring.**

Tribunal Case Manager: Thresho Galane

For the Merger Parties: Aidan Scallan and Jessica de Kock from ENS Africa

For the Commission: Billy Mabatamela and Grashum Mutizwa