

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM104Oct24

In the matter between:

Grindrod Mauritius

Primary Acquiring Firm

and

Terminal De Carvao Da Matola Limitada

Primary Target Firms

REASONS FOR DECISION

Approval

1. On 26 November 2024, the Competition Tribunal (“Tribunal”) unconditionally approved a large merger in which Grindrod Mauritius (“Grindrod”) intends to acquire the remaining ██████ of Terminal De Carvao Da Matola Limitada (“TCM”) from Vitol Mauritius, increasing its shareholding from ██████ to 100% and shifting from joint to sole control.
2. The primary acquiring firm, Grindrod, is incorporated in Mauritius and wholly owned by Grindrod Freight Services (Pty) Ltd (“Grindrod Freight”). Grindrod Freight, in turn, is wholly owned by Grindrod Ltd, a company listed on the Johannesburg Stock Exchange and not controlled by any other firm. Grindrod Mauritius, Grindrod Freight, and Grindrod Ltd are collectively called the Acquiring Group. The Acquiring Group operates in freight and logistics services through two main segments, namely, Port and Terminals and Logistics.
3. The primary target firm, TCM, is based in Mozambique. TCM is jointly controlled by Grindrod Mauritius (as to ██████) and Vitol Mauritius Ltd (“Vitol”) (as to ██████). TCM does not control any firm. TCM operates a dry-bulk terminal in Matola, handling large volumes of magnetite and coal, with a capacity exceeding 7.3 million tonnes. The terminal is a regional gateway to South Africa, Botswana, Swaziland and Zimbabwe.
4. In assessing the transaction, the Competition Commission (“Commission”) notes that Grindrod already jointly controls TCM and that Grindrod does not ordinarily procure dedicated services from TCM. The proposed transaction does not raise competition concerns, as there is no accretion in market share and there are no significant foreclosure risks.
5. The Commission notes that Grindrod has been involved in four merger transactions over the past five years. None of these transactions affect the same market for port

terminals as the current merger, which does not affect the structure of the market. Accordingly, the proposed transaction does not give rise to further concerns regarding creeping mergers in South Africa.

6. The transaction will not result in retrenchments in South Africa or elsewhere. Grindrod Mauritius and TCM have no employees in South Africa.
7. Grindrod is 84.26% owned by Historically Disadvantaged Persons (“HDPs”). Vitol does not have any ownership held by HDPs. TCM is currently [REDACTED] HDP owned, by virtue of Grindrod’s existing [REDACTED] interest in TCM. The proposed merger results in an increase in HDP ownership in TCM from [REDACTED] to 84.26%.
8. We conclude that the proposed merger raises no significant public interest concerns.
9. For the reasons set out above, we are satisfied that the proposed merger is unlikely to lead to a substantial prevention or lessening of competition in any relevant market and the proposed merger does not raise public interest concerns.
10. In the circumstances, we unconditionally approve the proposed merger.

Signed by: Thando Vilakazi
Signed at: 2024-12-06 11:23:33 +02:00
Reason: Witnessing Thando Vilakazi

Thando Vilakazi

**Presiding Member
Prof. Thando Vilakazi**

**6 December 2024
Date**

Concurring: Prof. Imraan Valodia and Ms Andiswa Ndoni

Tribunal Case Manager:
For the Merging Parties:

Moleboheng Mhlati
Sazi Madlala, Richardt van Rensburg and Zaid Bhayat
of ENS Africa

For the Commission:

Billy Mabatamela and Grashum Mutizwa