



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM188Jan21

In the matter between:

Motus Corporation (Pty) Ltd

Primary Acquiring Firms

and

Renault South Africa (Pty) Ltd

Primary Target Firms

Panel:	M Mazwai (Presiding Member) E Daniels (Tribunal Panel Member) AW Wessels (Tribunal Panel Member)
Heard on:	21 April 2021
Order Issued on:	21 April 2021
Reasons Issued on:	28 April 2021


REASONS FOR DECISION

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- [1] On 21 April 2021, the Competition Tribunal unconditionally approved a large merger between Motus Corporation (Pty) Ltd (“Motus”) and Renault South Africa (Pty) Ltd (“Renault SA”).
- [2] The transaction involves Motus acquiring 40% of the shares in Renault SA from Renault S.A.S. Post merger, Motus will directly and indirectly hold 100% shares in Renault SA and therefore, wholly own and control Renault SA.¹
- [3] Motus is controlled by JSE-listed company, Motus Holdings Limited (“Motus Holdings”). Motus Holdings and its subsidiaries are active in the import and distribution of motor vehicles; retail and rental of motor vehicles; motor-related financial services; and the provision of aftermarket parts.
- [4] Renault SA is active in the import and distribution of new and used Renault vehicles through its dealer network; the provision of after-sales services to the dealer network; and operates five (5) corporate-owned dealerships.
- [5] The Commission identified horizontal overlaps between the activities of the merging parties in the market for the import and distribution of new passenger vehicles nationally and in the regional market for the retail of new passenger vehicles within the Bryanston, East Rand, Fourways, Northcliff, and Edenvale areas where the Renault

¹ Motus indirectly holds 60% of the shares in Renault SA, through its subsidiary Motus Car Imports Proprietary Limited.

dealerships are located. However, given that the transaction only results in a change from joint to sole control, the Commission concluded that the transaction is unlikely to change the structure of the market.

- [6] The merger parties will continue to face competition from other dealerships.²
- [7] A vertical overlap was identified as Renault is active in the upstream market for the importation and distribution of the vehicles, while Motus is active in the retail of Renault vehicles. Motus is and has been the exclusive and sole distributor of Renault branded vehicles within South Africa since 1997. For this reason, there are no third-party distributors that are likely to be affected by the transaction and as such, input foreclosure is unlikely. There are also no customer foreclosure concerns as Motus is unlikely to have any incentive to foreclose other third-party independent dealerships.
- [8] No third parties raised concerns regarding the effects of the transaction on competition.
- [9] The transaction also did not raise any public interest concerns.
- [10] Accordingly, we concluded that the transaction is unlikely to substantially prevent or lessen competition in any relevant market, or to have a negative impact on the public interest.



Ms Mondo Mazwai

Mr Enver Daniels and Mr Andreas Wessels concurring

28 April 2021

Date

Tribunal Case Manager: Duduetsang Mogapi
For the Merging Parties: Z Banchetti and A Ruder of Tugendhaft Wapnick Banchetti and Partners
For the Commission: R Molotsi and G Mutizwa

² Volkswagen South Africa, Toyota, Nissan, Ford, and others.