

## MERGER DECISIONS – THIRD QUARTER 2023/24

The Commission examines merger notifications in order to make a determination on the effects of such transactions on competition and then either gives approval without any conditions, subject to specific conditions or prohibits the transactions based on the outcome of the analysis. This function is supported by Section 35 of the Competition Act, 2007 and the Competition Commission Regulations Notice, 2010 (“Competition Regulations”) as well as internal and external merger guidelines.

The total transactional value for domestic transactions was approximately E43 606 038.00 (Forty - Three Million, Six Hundred and Six Thousand, Thirty-Eight Emalangeni). The total combined annual turnovers or assets of the domestic transactions stood at approximately E329 121 626.00 (Three Hundred and Twenty-Nine Million, One Hundred and Twenty-One Thousand, Six Hundred and Twenty-Six Emalangeni). The sectors of these transactions include commercial property, franchised fast foods and farmland in Eswatini.

The Commission adjudicated on the following mergers in the third quarter-

### **1.0 ACQUISITION BY SHILOH ESTATE (PTY) LTD (“SHILOH STATE”) OF THE ENTIRE ISSUED SHARE CAPITAL IN GSM (PTY) LTD (“GSM”) AND TYRONE TIMBERS (SWAZILAND) (PTY) LTD (“TYRONE TIMBERS”)**

#### **1.1 The acquiring firm**

The acquiring firm Shiloh Estate is a newly established company for purposes of the transaction. Shiloh Estate is incorporated and registered in terms of the company laws of Eswatini.

#### **1.2 The target firms**

The target firms GSM and Tyrone Timbers are property holding companies that are incorporated and registered in terms of the company laws of Eswatini. GSM holds the following immovable properties, namely:

- i. CERTAIN: Plot 197 of Farm 2 Mbabane, Hhohho  
MEASURING: 1, 2297 Hectares;
- ii. CERTAIN: The remainder of Portion 1 of Farm No. 1074 Hhohho  
MEASURING: 1, 0002 Hectares;

- iii. CERTAIN: Portion 2 (a portion of portion 1) of Farm 1074 Hhohho  
MEASURING: 1, 0001 Hectares; and
- iv. CERTAIN: Portion 3 (a portion of portion 1) of Farm 1074 Hhohho  
MEASURING: 1, 1273 Hectares.

Tyrone Timbers holds the following immovable property, namely:

- I. CERTAIN: Remaining Extent of Farm 1074, situate in the Hhohho District, Eswatini  
MEASURING: +- 154 Hectares.

### **1.3 The decision**

The Secretariat considered the products of these firms and concluded that the relevant market is farmland in the Hhohho region.

In the analysis, the Secretariat considered the activities of the merging parties and found that there are no overlaps in the activities of the merging firms. The transaction is therefore categorized as a phase 1 merger because the merging firms have no overlaps in the relevant market. Post-merger, the market shares in the relevant market and market concentration will not be altered such that the structure of the market will remain unchanged. Countervailing power and barriers to entry will not be affected hence the transaction is unlikely to result in the substantial lessening or prevention of competition. ***The transaction was approved without conditions.***

## **2.0 ACQUISITION BY SIMBISA BRANDS ESWATINI (PTY) LTD (“SIMBISA BRANDS”) OF THE ENTIRE ISSUED SHARE CAPITAL HELD BY CHOWTOWN (PTY) LTD (“CHOWTOWN”)**

### **2.1 The acquiring firm**

The acquiring firm is Simbisa Brands an incorporated company in terms of the laws of Eswatini. The acquiring firm is a newly established entity whose object is to inter alia; carry on the business of a chain of fast foods, cafes; to provide ready-made food to customers locally, continental food and food of different varieties. Simbisa Brands is wholly own by Simbisa Retail Africa Limited Mauritius (“Simbisa Retail”) which is involved in franchised fast-food retailing in Africa in countries such as Kenya, Zambia and Zimbabwe. Simbisa Retail has no economic presence in Eswatini.

### **2.2 The target firm**

The target firm is Chowtown an incorporated company registered under the laws of Eswatini. The target firm operates Galitos, Chicken Inn and Pizza Inn food services in Eswatini.

### **2.3 The decision**

The Secretariat considered the products of the merging firms and concluded conclude that there are two relevant markets being-

- I. the provision of franchised fast-food services in the Manzini-Mbabane corridor; and
- II. the provision of franchised fast-food services in Nhlangano.

In our analysis we considered the activities of the merging parties and found that there are no product overlaps in both relevant markets. Simbisa Brands is a newly established company for purposes of the proposed transaction. Chowtown operates Galitos, Chicken Inn and Pizza Inn food services in Manzini, Matsapha, Ezulwini, Mbabane and Nhlangano. The transaction is categorized as a phase 1 merger since there are no overlaps in the activities of the merging parties in the relevant market. Post-merger, the market shares in the relevant market and market concentration will not be altered such that the structure of the market will remain unchanged. Countervailing power and barriers to entry will not be affected hence the transaction is unlikely to result in the substantial lessening or prevention of competition. ***Therefore, the transaction was approved without conditions.***

### **3.0 ACQUISITION ACQUISITION BY UPWARDS TRADING (PTY) LTD (“UPWARD TRADING”) OF THE ENTIRE SHAREHOLDING IN 930 INVESTMENTS (PTY) LTD (“930 INVESTMENTS”)**

#### **3.1 The acquiring firm**

The acquiring firm Upward Trading is a company incorporated and registered in terms of the company laws of Eswatini. Upward Trading is involved in providing wheel alignment and fitting services. The company does not own any commercial property in Eswatini.

#### **3.2 The target firm**

The target firm 930 Investments is a property holding company that is incorporated and registered in terms of the company laws of Eswatini. 930 Investments is the registered owner of Portion 180 of Farm No. 2 situated in the urban area of Mbabane.

#### **3.3 The decision**

The Secretariat considered the products of the firms and concluded that the relevant market is commercial property in Mbabane.

In its analysis the Secretariat considered the activities of the merging parties and found that there are no overlaps. The transaction is therefore categorized as a phase 1 merger because the merging firms have no overlaps in the relevant market. Post-merger, the market shares in the relevant market and market concentration will not be altered such that the structure of the market will remain unchanged. Countervailing power and barriers to entry will not be affected hence the transaction is unlikely to result in the substantial lessening or prevention of competition. ***Therefore, the transaction was approved without conditions.***