

SOUTH AFRICA / JUDGMENT

African Equity Empowerment Investment Limited v SAAB Grintek Technologies (Pty) Ltd (LM233Jan19) [2019] ZACT 7 (18 February 2019)

[2019] ZACT 7

COURT
Competition Tribunal

BEFORE
Y Carrim, M Mazwai, I Valodia

CASE / FILE NUMBER
LM233Jan19

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COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM233Jan19

In the matter between

African Equity Empowerment Investment Limited

Primary Acquiring Firm

And

SAAB Grintek Technologies (Pty) Ltd

Primary Target Firm

Panel

: Y Carrim (Presiding Member)

: M Mazwai (Tribunal Member)

: I Valodia (Tribunal Member)

Heard on

: 6 February 2019

Order Issued on : 6 February 2019 Reasons Issued on : 18 February 2019

REASONS

FOR DECISION

Approval

- [1] On 6 February 2019, the Tribunal unconditionally approved the proposed transaction in terms of which African Equity Empowerment Investment Ltd ("AEEI") is acquiring control over SAAB Grintek Technologies (Pty) Ltd ("SGT").
- [2] The reasons for the approval of the proposed transaction follow.

Parties to the transaction

- [3] The acquiring firm, AEEI is a black-owned investment holding company listed on the Johannesburg Stock Exchange. AEEI is controlled by Sekunjalo Investments Holdings (Pty) Ltd (Sekunjalo). Sekunjalo is ultimately controlled by Dr Iqbal Surve. AEEI, its controllers and the firms it controls will collectively be referred to as the acquiring group.
- [4] AEEI has investments in a variety of sectors, inter alia, media, events and tourism, health and beauty, and technology.
- [5] The target firm, SGT is controlled by SAAB South Africa (Pty) Ltd (SAAB SA).
- [6] SGT is a turnkey solutions integrator specialising in the design, supply, deployment, commissioning and maintenance of multi-technology

telecommunications system for mobile broadband and converged solutions. SGT's activities can be broadly segmented into three core

areas: (i) Radio transmission; (ii) Power technologies; and (iii) Customer solutions.

Proposed transaction

- [7] AEEI intends to acquire the entire issued share capital of SGT from SAAB SA. Post-merger, AEEI will exercise sole control over SGT.

Relevant market and impact on competition

- [8] The Competition Commission ("Commission") found that the proposed transaction does not give rise to horizontal overlaps because the acquiring group does not hold any interests in entities that provide the same products/services provided by SGT. Therefore, the proposed transaction is unlikely to change the structure of any relevant market as there is no accretion in the market share. Further, the Commission found that the proposed transaction would not result in any vertical overlaps as there is no pre-existing business relationship between the merging parties.
- [9] In light of the above, the Commission is of the view that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

Public interest

- [10] The proposed transaction does not raise any public interest concerns.

Conclusion

[11] In light of the above, we concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no public interest issues arise from the proposed transaction. Accordingly, we approved the proposed transaction unconditionally.

Ms Yasmin Carrim

Ms Mondo Mazwai and Prof. Imraan Valodia concurring.

18 February 2019

Date

Tribunal Case Manager : Kgothatso Kgobe

For the Merging Parties : B Phillips and R Wilson of Webber Wentzel

For the Commission

: Y Okharedia and W Gumbie

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