

## COMPETITION TRIBUNAL OF SOUTH AFRICA

**CASE NO: 133/LM/DEC08**

In the matter between:

**ABSA BANK LIMITED**

Acquiring Firm

and

**CULEMBORG INVESTMENT PROPERTIES (PTY) LTD**

Target firms

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Panel : D Lewis (Presiding Member), Y Carrim (Tribunal Member), and

N Manoim (Tribunal Member)

Heard on : 4 February 2009

Order issued on : 4 February 2009

Reasons issued on : 10 February 2009

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### REASONS FOR DECISION

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### APPROVAL

1. On 4 February 2009 the Tribunal approved the property merger between Absa and Culemborg. The reasons for the decision follow:

### THE PARTIES

2. The primary acquiring firm is ABSA Bank ("Absa") which is active in the property sector; in retail, residential, industrial and office development. Absa owns motor show rooms in Somerset West Autopark, Cape Town, and another under construction in Krugersdorp Gauteng. The primary target firm is Culemborg Investment Properties ("Culemborg") which is 100% owned by Edge Properties, and which is active in the business of

property development. Culemborg owns light industrial property which is rented out as a motor show room for new and used vehicles in Cape Town CBD.

### **THE TRANSACTION AND RATIONALE**

3. In terms of the proposed transaction Absa intends to acquire 50% of the issued share capital in the business of Culemborg from Edge Properties.
4. For Absa, the proposed transaction is part of its wider investment strategy. For Culemborg the proposed transaction provides an opportunity to obtain additional funding from Absa to assist in the development of property.

### **RELEVANT PRODUCT MARKET**

5. Both Absa and Culemborg own light industrial property which is rentable for use by motor vehicle dealerships in Cape Town. However there is no geographic overlap in their activities as Absa's operational vehicle dealership is in Somerset West and Culemborg's is in Cape Town CBD. The distance between these dealerships is approximately 47 kilometers and there are a significant number of alternative car dealerships within this location including, Land Rover, Bloomsbury, BMW, Audi Cape Town and Vigilietti Motors.

### **CONCLUSION**

6. In light of the above, we find that this merger will not result in any substantial lessening or prevention of competition in any of the relevant markets in the property sector. Accordingly, we approve the merger without conditions.
7. There are no public interest issues.

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N Manoim

Tribunal Member

10 February 2009

Date

D Lewis and Y Carrim concurring

For the merging parties : M Griffiths and B Wiese of Absa

For the Commission : M Matsimela

(Mergers and Acquisitions)

Tribunal Researcher: L Xaba