

**COMPETITION TRIBUNAL  
REPUBLIC OF SOUTH AFRICA**

**Case No: 61/LM/Aug02**

**In the large merger between:**

**Toyota Motor Corporation (Japan)**

**and**

**Toyota South Africa (Pty) Ltd**

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**Reasons for Decision**

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**Approval**

On 23 September 2002 we approved the merger between Toyota Motor Corporation (Japan) and Toyota South Africa (Pty) Ltd, without conditions. Our reasons for this decision are set out below.

**The transaction**

This is an acquisition by Toyota Motor Corporation (“TMC”) of 39.3% of the issued share capital in Toyota South Africa (“TSA”), from Wesco Investments Ltd (“Wesco”). As a result of this acquisition, TMC will become the majority shareholder of TSA.

The primary acquiring firm is TMC, which is listed on various stock exchanges in Japan as well as on the New York and London Stock Exchanges. TMC is the ultimate holding company of the global network of companies within the Toyota Group.

The primary target firm is TSA, which conducts different aspects of its business through various South African subsidiaries.

The merger is intended to ensure TSA’s integration into the global production network of TMC, and it is anticipated that it will expose TSA to previously uncharted export markets.

### **Evaluating the merger**

As the manufacturer of Toyota and Lexus branded vehicles, TMC is the world's third largest vehicle manufacturer. However, TMC is not directly active in the South African market and only participates in the market through TSA and its subsidiary, Toyota South Africa Motors (Pty) Ltd ("TSAM").

The transaction merely constitutes an increase of TMC's shareholding in TSA and will not alter TMC's or TSA's current mode of participation in the relevant product markets in South Africa.

We agree with the Commission's finding that the merger will not affect competition in any of the relevant product markets.

### **Public interest Issues**

The Tribunal is satisfied that the transaction does not present any public interest concerns, rather, it appears that the transaction will have a positive impact through an increase in the production of vehicles in South Africa and the concomitant export thereof.

**N. Manoim**

10 October 2002  
**Date**

**Concurring: D. Lewis, P. Maponya**