



## COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 93/LM/Oct12

In the matter between:

**Barloworld Logistics (Pty) Ltd**

Acquiring Firm

And

**Manline (Pty) Ltd**

Target Firm

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Panel : Norman Manoim (Presiding Member)  
Yasmin Carrim (Tribunal Member)  
Andreas Wessels (Tribunal Member)  
Heard on : 05 December 2012  
Order issued on : 05 December 2012  
Reasons issued on : 21 January 2013

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### Reasons for Decision

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#### Approval

[1] On 05 December 2012 the Competition Tribunal (“Tribunal”) approved the merger between Barloworld Logistics (Pty) Ltd and Manline (Pty) Ltd. The reasons for approval follow below.

#### Parties and their activities

[2] The primary acquiring firm is Barloworld Logistics (Pty) Ltd (“Barloworld Logistics”), a private company incorporated in terms of the laws of the

Republic of South Africa. Barloworld Logistics is largely a holding company and its wholly owned subsidiary, Barloworld Logistics Africa (Pty) Ltd is the operational company. All of the ordinary shares of Barloworld Logistics are held by Barloworld Investments (Pty) Ltd, a wholly owned subsidiary of Barloworld Limited.

[3] The Barloworld Group provides integrated rental, fleet management, product support and logistics services and solutions. It provides a link between manufacturers and customers and adds value through sales, after-market support and solutions to customers.

[4] The primary target firm is Manline (Pty) Ltd (“Manline”), a private company incorporated in terms of the laws of the Republic of South Africa.

[5] Manline is a logistics group providing line-haul transportation and supply chain services throughout Southern Africa, as well as warehousing and distribution services in certain regions of South Africa. Its line-haul logistics services are provided to customers in the fast moving consumer goods; mining; agriculture; timber and forestry; and fuel and chemicals industries. According to the merging parties, line-haul refers to the transportation, usually by truck, of heavy loads of freight for long distances or generally between cities.

### **Proposed transaction and rationale**

[6] In terms of the proposed transaction Barloworld Logistics plans to acquire 50.1% of the share capital of Manline and Barloworld Logistics further plans to transfer the businesses of its Dedicated Transport Services (“DTS”) division and Ecosse Tankers (Pty) Ltd<sup>1</sup> to Manline.

[7] Barloworld Logistics considers the proposed acquisition as an excellent strategic and cultural “fit” to its business. The merging parties further see their activities as complementary which will allow them to deliver better supply chain solutions to their customers. In addition, Barloworld

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<sup>1</sup> The merging parties submitted that Barloworld Logistics owns Ecosse, but this company is effectively managed by the DTS division.

believes that through the proposed transaction the parties will be able to present more innovative solutions to customers and anticipates that this will increase the efficient use of Barloworld's dedicated road transport capabilities by combining Barloworld's DTS business with Manline's line-haul logistics business, where appropriate.

[8] Manline considers that the proposed transaction will allow it to provide a holistic service to its customers.

### **Competition assessment**

[9] The merging parties were of the view that their activities do not overlap directly since they provide different types of logistics services, which are complementary in nature rather than substitutable. They submitted that Barloworld (specifically the DTS business) provides dedicated transportation services that are customised per client and per application (typically within a 120 km radius) which are distinguishable from Manline's line-haul transportation services (long distance and cross-border transport services) provided to multiple customers in specific sectors.

[10] The Commission however found that the activities of the merging parties overlap in a potential (broad) national market for the provision of logistic services. The combined market share of the merging parties in this market in 2011/2012 will be less than 10%. There is however in this case no need for us to take a definitive view on the exact parameters of the relevant market(s). We note that none of the merging parties' customers contacted by the Commission during its market investigation raised any concerns with regards to the proposed transaction. Furthermore, the existing limited vertical relationship between the merging parties is unlikely to raise foreclosure concerns.

[11] Conclusion: we are satisfied that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

## **Public interest**

[12] The Commission found that no significant public interest issues arise as a result of the proposed transaction.

## **CONCLUSION**

[13] We approve the proposed transaction without conditions.

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**Andreas Wessels**

21 January 2013  
**DATE**

**Norman Manoim and Yasmin Carrim concurring**

Tribunal researcher: Thabo Ngilande

For the merging parties: Bowman Gilfillan Inc.

For the Commission: Zanele Hadebe