

DEPARTMENT OF TRADE, INDUSTRY AND COMPETITION

NO. 6020

20 March 2025

NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:

ROCKWOOD HOLDINGS PROPRIETARY LIMITED

AND

WELFIT ODDY INDUSTRIES PROPRIETARY LIMITED

CASE NUMBER: 2024NOV0006

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the 'Rules for the Conduct of Proceedings in the Competition Commission', that it has approved the transaction involving the abovementioned firms subject to conditions set out below:

Background

1. On 05 November 2024, the Competition Commission ("the Commission") received notice of an intermediate merger whereby Rockwood Holdings (Pty) Ltd ("Rockwood") intends to acquire the entire shareholding of Welfit Oddy Industries (Pty) Ltd ("Holdco"). Post-merger, Holdco will be wholly controlled by Rockwood.

Description of the merging parties

2. The primary acquiring firm, Rockwood, is duly incorporated under the laws of the Republic of South Africa. **[CONFIDENTIAL]**.
3. **[CONFIDENTIAL]**. None of the subsidiaries of Rockwood are relevant for the purpose of analysing the proposed transaction.
4. Rockwood and all its subsidiaries will hereafter be collectively referred to as the "Acquiring Group".
5. **[CONFIDENTIAL]**.

6. The primary target firm, Holdco, is duly incorporated in accordance with the laws of the Republic of South Africa. **[CONFIDENTIAL]**. Holdco is a holding company of Welfit Oddy Proprietary Limited (“Welfit”), which is the operational firm. Holdco and its beneficiary, Welfit, will henceforth be collectively referred to as the “Target Firm”.
7. **[CONFIDENTIAL]**.

Activities of the merging parties

8. The Acquiring Group is an investment holding company and none of the companies it is invested in offer the same activities as the Target Firm.
9. Welfit is active in the design, manufacture and sale of tank containers, bulk liquid shipping containers and transport containers for the international chemical and food grade logistics market. All the containers produced by the Target Firm are exported from South Africa.

Competitive assessment

10. The Commission is of the view that the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition in any market. .

Public interest

11. The parties submit that the proposed transaction will not have any adverse effects on employment in South Africa as no merger-specific retrenchments will take place. The parties submit that the proposed transaction will result in a significant number of jobs (approximately 286) being saved against a counterfactual where the Target Firm will be liquidated by the Sellers absent the proposed transaction.
12. However, in order to allay any potential future retrenchments given the significant prior retrenchments at the target firm and the precarious financial state of the target firm, the Commission requested and the merging parties agreed to a condition in the form of a 3-year moratorium on retrenchments.

13. The proposed transaction does not raise any other public interest concerns that require further intervention, particularly given the precarious financial position of the Target Firm and the likely counterfactual of liquidation.

Conclusion

14. The Commission approves the merger subject to the Conditions attached as **Annexure A**.

ANNEXURE A**ROCKWOOD HOLDINGS PROPRIETARY LIMITED****AND****WELFIT ODDY INDUSTRIES PROPRIETARY LIMITED****CASE NUMBER: 2024NOV0006**

CONDITIONS

1. DEFINITIONS

In this document, the expressions used below will have the appropriate meanings assigned to them and the following and related expressions will bear the following meanings:

- 1.1 **“Acquiring firm”** means Rockwood Holdings (Pty) Ltd;
- 1.2 **“Act”** means the Competition Act No. 89 1998, as amended;
- 1.3 **“Approval Date”** means the date on which the Merger is approved by the Commission;
- 1.4 **“Commission”** means the Competition Commission of South Africa, a statutory body established in terms of section 19 of the Competition Act;
- 1.5 **“Competition Act”** means the Competition Act, No. 89 of 1998, as amended;
- 1.6 **“Conditions”** means the conditions set out herein Annexure A;
- 1.7 **“Days”** means any calendar day that is not a Saturday, Sunday or public holiday in South Africa;

- 1.8 **"Implementation Date"** means the date on which the Merger is implemented;
- 1.9 **"Labour Relations Act"** means the Labour Relations Act, No. 66 of 1995, as amended;
- 1.10 **"Merged Firm"** means Welfit Oddy Industries as controlled by Rockwood after the Implementation Date;
- 1.11 **"Merger"** means the proposed transaction between the Merging Parties, and which constitutes an intermediate merger;
- 1.12 **"Merging Parties"** means Rockwood and Welfit Oddy Industries;
- 1.13 **"Moratorium Period"** means a period of 3 (three) years from the Implementation Date;
- 1.14 **"Rockwood"** means Rockwood Holdings Proprietary Limited;
- 1.15 **"Tribunal"** means the Competition Tribunal of South Africa, a statutory body established in terms of section 26 of the Competition Act;
- 1.16 **"Welfit Oddy Industries"** means Welfit Oddy Industries Proprietary Limited; and
- 1.17 **"Welfit"** means Welfit Oddy Proprietary Limited.

2. EMPLOYMENT

- 2.1 For the duration of the Moratorium Period, Welfit shall not retrench any employees as a result of the Merger.
- 2.2 For the avoidance of doubt, retrenchments as a result of the Merger do not include (i) voluntary separation arrangements and/or voluntary retrenchments; (ii) voluntary early retirement packages; (iii) unreasonable refusals to be redeployed in accordance

with the provisions of the Labour Relations Act; (iv) resignations or retirements in the ordinary course of business; (v) retrenchments lawfully effected for operational requirements unrelated to the merger; (vi) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance; and (vii) any decision to not renew or extend the employment contract of a fixed term contract employee taken in the ordinary course of business.

3. MONITORING

- 3.1 Within 5 (five) Days of the Implementation Date, the Merged Firm shall inform the Commission in writing of the Implementation Date.
- 3.2 The Merged Firm shall circulate a copy of the Conditions to Welfit's employee representative within 10 (ten) Days of the Approval Date. As proof of compliance herewith, Welfit shall, within 5 (five) Days of circulating the Conditions, submit to the Commission an affidavit by a senior official, attesting to such compliance.
- 3.3 The Merged Firm shall, within 30 (thirty) Days of the first anniversary of the Implementation Date and for a period of 2 (two) years thereafter submit to the Commission an affidavit by a senior official, attesting to compliance with clause 2 of these Conditions.
- 3.4 The Commission may at any time request additional information from the Merging Parties, which the Commission may reasonably deem necessary for the purpose of monitoring the extent of compliance with the Conditions.

4. APPARENT BREACH

Any person who believes that the Merging Parties have failed to comply with these Conditions may approach the Commission with their complaint. If the Commission

determines that there has been an apparent breach by the Merging Parties of these Conditions, the matter shall be dealt with in terms of clause 6 below.

5. VARIATION OF CONDITIONS

The Merging Parties may at any time, on good cause shown, apply to the Commission for the Conditions to be waived, relaxed, modified and/or substituted. Should a dispute arise in relation to the variation of the Conditions, the Merging Parties shall apply to the Tribunal, on good cause shown and on notice to the Commission, for the Conditions to be waived, relaxed, modified and/or substituted.

6. APPARENT BREACH

Should the Commission receive any complaint in relation to non-compliance with the above Conditions, or otherwise determine that there has been an apparent breach by the Merging Parties of these Conditions, the breach shall be dealt with in terms of Rule 39 of the Commission Rules.

7. GENERAL

All correspondence concerning these Conditions must be submitted to the following email address: mergerconditions@compcom.co.za and ministry@thedtic.gov.za

Enquiries in this regard may be addressed to the Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3200.