



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 019737

In the matter between:

**Main Street (Pty) Ltd and
Yebo Guma investments (Pty) Ltd**

Acquiring Firms

and

Gijima Group Ltd

Target Firm

Panel	:	Norman Manoim (Presiding Member) Andreas Wessels (Tribunal Member) Mondo Mazwai (Tribunal Member)
Heard on	:	12 November 2014
Order issued on	:	12 November 2014
Reasons issued on	:	10 December 2014

Reasons for Decision

Approval

1. On 12 November 2014 the Competition Tribunal (the "Tribunal") unconditionally approved an acquisition by Main Street (Pty) Ltd ("Main Street") and Yebo Guma Investments (Pty) Ltd ("Yebo Guma") of Gijima Group Ltd ("Gijima").
2. The reasons for the approval of the proposed transaction follow.

The Parties and their activities

3. The primary acquiring firms are Main Street and Yebo Guma, companies incorporated under the company laws of the Republic of South Africa. Main Street is controlled by the Matana Family Trust 1963 (the "Trust 1963") and Yebo Guma is controlled by the Matana Gumede Family Trust ("Family Trust"). The Trust 1963 and the Family Trust are ultimately controlled by Robert Matana Gumede ("Gumede"). Gumede also controls Robert Matana Gumede Family Business 2007 Trust (the "Business Trust"). The group of companies controlled by Gumede are collectively referred to as the "Guma Group".
4. Main Street is a newly incorporated company created specifically for purposes of acquiring the target firm. It does not control any firm or provide any products or services into or from South Africa. Yebo Guma is an investment holding company which holds 35.4% in Gijima. Yebo Guma also controls Guma Africa Consulting (Pty) Ltd, Prostart Properties 74 (Pty) Ltd and Guma Investment Holdings (Pty) Ltd.
5. The Guma Group is an investment company which holds investments in various sectors including, mining, tourism, leisure and hospitality, industrial sectors, information communication and technology ("ICT") and energy.
6. The primary target firm is Gijima, a public company incorporated under the company laws of the Republic of South Africa and listed on the Johannesburg Stock Exchange. Gijima is not controlled by any single shareholder. The entities making up the Guma Group currently hold 46.7% of the issued share capital of Gijima, making it the largest single existing shareholder.
7. Gijima is an ICT company which operates throughout South Africa and Namibia. It provides application services, infrastructure configuration and implementation, and end-to-end managed outsource services.

Proposed transaction and rationale

8. In terms of the proposed transaction the Guma Group intends to increase its shareholding in Gijima from 46.7% to more than 50% through a rights offer. Post-merger, it is anticipated that the Guma Group will hold more than 50% of the issued share capital in Gijima and will have sole control over the Group.
9. The merging parties submitted that Gijima wishes to grow into Africa and the Guma Group support this strategy. The parties further submitted that by having only one major shareholder (the Guma Group), unnecessary administrative work and overheads can be removed.

Competition Analysis

10. The Commission found that there is no overlap between the activities of the merging parties as the Guma Group is not directly or indirectly involved in any business activities that are similar or related to those of Gijima – its only activities in relation to the ICT market arise from its shareholding in Gijima. The Commission therefore concluded that the proposed transaction is unlikely to substantially lessen or prevent competition in any relevant market as it does not alter the market structure.

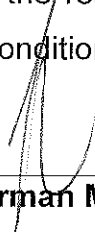
Public interest

11. The merging parties confirmed that the proposed transaction will have no adverse effect on employment and will not result in any retrenchments in South Africa.¹ The proposed transaction raises no other public interest concerns.

¹ See merger record, pages 9. Also see paragraph 7.1 of the Commission's merger report.

Conclusion

12. For the reasons mentioned above, we approve the proposed transaction unconditionally.



Mr. Norman Manoim

10 December 2014
Date

Mr. Andreas Wessels and Mrs. Mondo Mazwai concurring

Tribunal Researcher : Ipeleng Selaledi

For the merging parties : Sarah Manley of Webber Wentzel

For the Commission : Daniela Bove