COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: LM030May26

In the matter between:

Vector Logistics (Pty) Ltd	**Primary Acquiring Firm**
And	
LMC Express (Pty) Ltd and LMC Express Human Resource and Employment (Pty) Ltd	**Primary Target Firms**

Panel:	I Valodia (Presiding Member) A Ndoni (Tribunal Member) T Vilakazi (Tribunal Member)
Heard on:	21 July 2026
Decided on:	23 July 2026
Reasons issued on:	11 August 2026

REASONS FOR DECISION

Introduction

[1] On 23 July 2026, the Competition Tribunal ("Tribunal") unconditionally approved the large merger in terms of which Vector Logistics Proprietary Limited ('Vector Logistics") intends to acquire the entire shareholding of and shareholder loan claims in each LMC Express Proprietary Limited ("LMC Express") and LMC Express Human Resource and Employment Proprietary Limited ("LMC HRE"), collectively the "Target Firms".

[2] Post-merger, Vector Logistics will exercise sole control over the Target Firms.

Parties and their activities

Primary acquiring firm

[3] The primary acquiring firm is Vector Logistics which is controlled by A.P. Møller Capital P/S ("APMC"), an infrastructure fund manager incorporated in terms of the laws of Denmark.

[4] Apart from Vector Logistics, APMC also controls numerous firms in South Africa, including Lumika Renewables Proprietary Limited (dormant), Reunert Investment Company No 2 Proprietary Limited, and Terra Firms Solutions Proprietary Limited, amongst others.

[5] Vector Logistics only controls one firm in South Africa, Empty Trips Proprietary Limited ("Empty Trips"). Vector Logistics, its controlling firm, and all firms controlled by its controlling firm are referred to as the "Acquiring Group".

[6] The Acquiring Group, through Vector Logistics, provides integrated cold chain logistics services in South Africa. Vector Logistics offers end-to-end services to domestic business-to-business customers, including the transportation, storage, and distribution of frozen food and related products. Empty Trips, a subsidiary of Vector Logistics, operates a digital freight-matching platform that enables customers, including external customers, to access reliable empty return-journey haulier options and monitor cargo deliveries in real time.

Primary target firms

[7] The primary target firms are LMC Express and LMC HRE.[1] LMC Express and LMC HRE do not control any firms in South Africa.

[8] LMC Express provides temperature-controlled transport services in South Africa, including the transport of frozen, chilled, and dry goods between major city centres such as Cape Town, Johannesburg, Durban, and Port Elizabeth. Its

[1] LMC Express is controlled by its majority shareholder, [redacted], who holds [redacted]% of its shares, with the remaining shares held by [redacted]. LMC HRE is controlled by its majority shareholder, the [redacted], which holds [redacted]% of its shares and whose beneficiaries are the [redacted]; the remaining shares in LMC HRE are held by [redacted].

services are mainly used by small producers, manufacturers, and retailers that require goods to be transported safely and efficiently.

[9] LMC HRE is an administrative service provider that only provides services to LMC Express.

Indivisibility of the transaction

[10] The Commission considered whether the proposed transaction, namely the acquisition of Target Firms (i.e., LMC Express and LMC HRE), constitutes a single indivisible and inter-related transaction.

[11] The Commission found that the proposed transaction constitutes a single indivisible transaction. This is because it (i) involves the same acquiring firm, (ii) the Target Firms have common shareholders; and (iii) each step/acquisition is conditional upon each other. Furthermore, LMC HRE exclusively provides administrative services to LMC Express.

[12] We found no basis to disagree with this assessment.

Competition assessment

[13] The Competition Commission ("Commission") considered the activities of the merger parties and found that the proposed transaction results in a horizontal overlap in the provision of cold chain logistics services.

[14] The Commission considered the estimated market shares of the merger parties in the broad market for the provision of cold chain logistics services in South Africa and found that there is no public source of data to determine market shares within the relevant market. However, market participants estimated the largest players within the cold chain logistics market to be Vector Logistics, Lineage Logistics / CCS Logistics, Digistics, Unitrans, OneLogix (incl. Jackson Transport), DP World, Hestony, Lieben Logistics, Aspen Logistics and Bidvest International Logistics.

[15] Further, LMC Express is considered to be a relatively small player with an estimated market share ranging from 1% to 10%.

[16] In addition, the Commission found that, although the merger parties both provide cold chain logistics services, they are not direct competitors because their service offerings are not substitutable.

[17] Customer submissions indicate that LMC Express provides less-than-truckload ("LTL") load consolidation between major city centres and serves a more fragmented customer base, whereas Vector Logistics focuses on full truckload ("FTL") services, larger FMCG customers and end-to-end cold chain outsourcing.

[18] Customers further submitted that using Vector Logistics for LTL requirements would be uneconomical and cost-prohibitive, as Vector Logistics prices on a full truckload basis, while LMC Express charges per pallet.

[19] Further, given the difference in scale, Vector Logistics mainly services larger FMCG retailers, while LMC Express services more wholesalers.

[20] Furthermore, none of the customers and competitors of the merger parties contacted by the Commission raised any concerns relating to the proposed merger. Customers confirmed that the merger parties are not close competitors as their operation model, scale, and scope of services differ.

[21] The Commission also found that there is no vertical overlap between the merging parties, as the merging parties do not operate at different levels of the same value chain.

[22] Given the presence of other players within the market and LMC Express' relatively small market share, we are of the view that the proposed transaction is unlikely to significantly alter the structure of the cold chain logistics market in South Africa.

[23] In light of the above, we concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

Public interest analysis

Employment

[24] The merging parties submitted that there will be no job losses in South Africa as a result of the Proposed Transaction.[2]

[2] Merger Record at pp 64 and 770.

[25] In terms of its employment assessment, the Commission found that Vector Logistics effected [redacted] retrenchments before notification of the proposed transaction. Of these retrenchments, [redacted] related to the Vector Trade Marketing ("VTM") function ("VTM Retrenchments"), and [redacted] related to the Vector Logistics Customer Team ("Vector Logistics Customer Team Retrenchments").

[26] The merger parties submitted that the VTM Retrenchments are as a result of the pre-merger VTM restructuring, which was an independent operational transformation exercise aimed at improving the efficiency, competitiveness and sustainability of the merchandising business. They explained that the business case was developed months before implementation and addressed internal inefficiencies specific to VTM. According to the merger parties, the new structure was required regardless of any change in ownership or future corporate transaction, and the process followed ordinary labour law consultation requirements. Similarly, the merger parties submitted that Vector Logistics Customer Team Retrenchments were as a result of operational requirements and not linked to the proposed merger.

[27] We were concerned about potential employment effects that could emanate from the proposed transaction given the horizontal overlap, risk of duplications from the operation of a "combined platform" between the merger parties and the history of retrenchments, whilst considering the counterfactual for the proposed transaction is the wind-down of LMC Express which would result in the loss of all employment positions across LMC Express and LMC HRE.

[28] We therefore requested the merger parties and Commission provide submissions on why the Commission has not sought a condition to ensure no merger-related job losses and has relied on the merger parties' statement that no merger-related retrenchments will occur as a result of the proposed transaction. The parties were therefore requested to provide submissions as to why a condition is not necessary in the instant transaction and why the merger parties may not be amenable to such an undertaking.

[29] The merger parties submitted that the proposed transaction is not the source of an employment risk but the mechanism that avoids it by providing certainty of

continued operations under a well-resourced acquirer committed to the business. They argued that the proposed transaction preserves employment in its entirety. Further, the merger parties relied on the Tribunal's approach in *Vodacom Proprietary Limited and Business Venture Investments No 2213 Proprietary Limited* (LM148Dec21) that a condition presupposes a merger-specific harm requiring a remedy, and no such harm exists in the context of the proposed transaction.

[30] Regarding the retrenchments that took place at Vector Logistics, the merger parties submitted that these are entirely unrelated to the proposed transaction and cannot properly be relied upon to justify the imposition of an employment-related condition as the retrenchments were purely operational and alternatives to retrenchment were actively pursued.

[31] In addition, the merger parties submit that LMC Express will continue to operate independently as a separate platform with a differentiated service offering and will not be integrated into Vector Logistics. There are no core business duplications between the two businesses that could give rise to merger-related headcount reductions.

[32] The Commission submitted that during its investigation, it requested the merger parties to tender an employment condition providing for a three-year moratorium on merger-specific retrenchments from the implementation date. However, the merger parties declined to tender the requested condition and reiterated their undertaking that the proposed transaction will not result in any job losses. The Commission relied on *Coca-Cola Beverages Africa (Pty) Ltd v Competition Commission and Another*,[3] wherein the Constitutional Court held that retrenchments effected due to operational challenges are unlikely to be merger-specific.

[33] Having considered the submissions regarding the chronology of the retrenchment processes, the merger parties’ strategic documents, the section 189 notices and the employee representative’s confirmation, we are of the view that the pre-merger retrenchments are unlikely to be merger-specific and that the

[3] 2024 (6) BCLR 771 (CC).

two entities will continue to be operated separately post-merger, and therefore no duplications would arise.

[34] We are satisfied with the merger parties' binding and unequivocal undertaking that the transaction will not result in retrenchments, and that an employment condition is not necessary in this matter.

Promotion of a greater spread of ownership, in particular to increase the levels of ownerships by historically disadvantaged persons ("HDPs") and workers in firms in the market

[35] Vector Logistics is held [redacted]% by HDPs, while the Target Firms do not have any shareholding held by HDPs.

[36] The Commission therefore found that the proposed transaction results in an increase in HDP ownership in the Target Firms by approximately [redacted]%.

[37] We have no reason to disagree with the Commission's assessment and conclusion.

Other public interest considerations

[38] The proposed transaction raises no other public interest issues.

Conclusion

[39] Considering the above, we concluded that the proposed transaction was unlikely to substantially prevent or lessen competition in any relevant market. We concluded further that the proposed merger does not raise any significant public interest concerns.

[40] We therefore unconditionally approved the proposed transaction.

Signed by:Imraan Valodia
Signed at:2026-08-11 11:55:03 +02:00
Reason:Witnessing Imraan Valodia

Prof. Imraan Valodia	**11 August 2026** **Date**

Ms Andiswa Ndoni and Prof. Thando Vilakazi concurring

Tribunal Case Manager:	Juliana Munyembate
For the Merger Parties:	Xolani Nyali, Victoria Anthony and Chiara Nefdt of Bowmans
For the Commission:	Reabetswe Molotsi and Londiwe Senona