



MERGER NOTICE NO 02: 2018

THE PROPOSED ACQUISITION OF 15% INTEREST IN THE GRINDING MEDIA DIVISION OF SCAW SOUTH AFRICA (PTY) LTD FROM THE INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA LTD BY MAGOTTEAUX INTERNATIONAL S.A.

Pursuant to section 56(1) of the Competition Act (Cap 46:09), the Competition Authority has received a merger notification for the proposed acquisition of 15% interest in the grinding media division of Scaw South Africa (Pty) Ltd ("Scaw"), from Industrial Development Corporation of South Africa Ltd ("IDC") by Magotteaux International S.A. ("Magotteaux").

The acquiring enterprise, Magotteaux, is a subsidiary of the Magotteaux Group and is incorporated in accordance with the Laws of the Republic of Belgium. Magotteaux is ultimately controlled by Sigdo Koppers S.A. ("Sigdo Koppers"), a public company listed on the Santiago Stock Exchange in Chile. Magotteaux provides technical support in relation to the high chrome division including planning, preparation and performance evaluation. Magotteaux also provides various services to the Grinding Media Division in relation to the production, marketing and development of the high chrome grinding media, which is manufactured under the licence of Magotteaux. Magotteaux does not directly or indirectly control any firm in Botswana.

The target enterprise, Scaw, which will at the time of the transaction comprise four distinct divisions, namely: grinding media division; the cast products division; wire rod products; and rolled products divisions, is a company incorporated under the Laws of South Africa. Scaw is a South African based integrated steel maker producing highly specialised and critical consumables for the mining, rail, power, offshore oil and gas, construction, commercial and other industrial sectors.

Scaw's grinding media division produces forged and high chrome grinding media which are principally used in ball mills in order to liberate metals and minerals contained in ore or for the purpose of pulverizing coal for coal fired boilers.

Scaw exports some of its products such as long steel, including reinforcing bar, and low carbon wire rod to customers who are located in Botswana.

According to section 57(3), of the Competition Act, “any person, including a third party not a party to the proposed merger, may voluntarily submit to the inspector or the Authority any document, affidavit, statement or other relevant information in respect of a proposed merger”.

The Competition Authority therefore seeks any stakeholder views for or against the proposed merger, which may be sent within 10 days from date of this publication to the following address:

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