



MERGER NOTICE NO 41: 2017

THE PROPOSED ACQUISITION OF 74% ISSUED SHARES OF SCAW SOUTH AFRICA LIMITED BY BARNES SOUTHERN PALACE HOLDINGS (PTY) LTD.

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 74% of the issued shares of Scaw South Africa (Pty) Ltd ("Scaw"), which will at the time of the transaction comprise the wire rod products and rolled products divisions, by Barnes Southern Palace Holdings (Pty) Ltd ("Barnes Southern Palace"). Scaw is currently controlled by the Industrial Development Corporation of South Africa Limited ("IDC").

The acquiring enterprise, Barnes Southern Palace Holdings (Pty) Ltd, is an empowerment consortium and private company wholly owned by Barnes Group Holdings (Pty) Ltd and Southern Palace Group of Companies (Pty) Ltd with shareholding of 74% and 26% respectively. All the companies are incorporated under the Laws of South Africa. Barnes Southern Palace is a special purpose vehicle and does not have any presence in Botswana.

The target enterprise, Scaw, which will at the time of the transaction comprise the 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 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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