

R40bn Heineken-Distell merger gets the green light

The Competition Tribunal has conditionally approved Heineken's proposed R40.1bn acquisition of South Africa's largest liquor firm Distell.



Source: [Ftxabay](#)

[In November 2021](#), Dutch brewing giant Heineken announced its intention to acquire control of Distell and Namibia Breweries Limited, which were to be combined with Heineken South Africa into a new Heineken majority-owned business called Newco. The deal will give Heineken a 65% shareholding in the new company, which will be headquartered in South Africa.

The go-ahead from South Africa's Competition Tribunal marks the final regulatory approval, following those received from the Namibia Competition Commission, the Common Market of Eastern & Southern Africa and all other relevant jurisdictions. Shareholder elections are expected in two weeks and the transaction is expected to be implemented from April, Heineken said.



Heineken to buy SA drinks maker Distell, along with Namibia Breweries

15 Nov 2021



Distell is Africa's largest producer and marketer of ciders, flavoured alcoholic beverages, wines and spirits, owning prominent brands including Savannah, Nederburg, Klipdrift, Amarula and Hunters Dry, while Namibia Breweries Limited is the beer market leader in Namibia with brands including Windhoek and Tafel.

Through the creation of the enlarged regional entity Newco, it's expected that Heineken will be able to better compete with larger rival AB InBev, which owns SAB. "It paves the way for the creation of a regional African beverage champion," Heineken said in a statement.

Heineken's CEO and chairman of the executive board Dolf van den Brink said: "We are delighted the Competition Tribunal has approved the deal. We are very excited to bring together three strong businesses to create a regional beverage champion, with a unique multi-category offer to better serve consumers, customers and create shared societal value across southern Africa.

"We are committed to being a strong partner for growth and making a positive impact in the communities in which we operate, and the proactive and comprehensive public interest package we've put forward is testament to that."



#WomensMonth: Distell's Kushilla Thomas feeds her passions for Africa, brands and people

Lauren Hartzenberg 31 Aug 2022



Heineken said the approval gives the green light to an "ambitious package of public interest commitments", including ongoing business investment, broad-based Black economic empowerment, job creation, localisation and supplier development, talent development and contribution to the economic development of the region.

Summary of conditions

The Tribunal has imposed conditions to remedy the competition concerns related to the cider market in South Africa. According to the Tribunal, the merger would have resulted in a consolidation of the Strongbow brand with the Savanna brand and Hunters brand, and Heineken will therefore be required to divest of its local Strongbow business and brand to a licensee. "This licensee must have a majority shareholding by historically disadvantaged persons, the Tribunal said.



NinetyOne voices its dissent before clock strikes midnight on Heineken-Distell deal

Sasha Planting 15 Feb 2022



Public interest-related conditions imposed by the Tribunal involve, among others, the establishment of an employee share ownership plan that introduces shareholding, voting rights and board representation for employees. The merged group is also expected to make employment commitments to reduce the number of potential retrenchments in South Africa. Furthermore, the Tribunal has imposed enterprise, supplier development and other conditions aimed at promoting Broad-Based Black Economic Empowerment.

The Tribunal also laid out conditions to address "allegations relating to human rights abuses such as the abuse of workers and sexual harassment" raised by witnesses during the Tribunal hearing. Heineken is expected to provide for "an investigation into the allegations, an audit of working conditions on farms and commitments to human rights standards for workers including, for example, the provision of adequate sanitation facilities in the vineyards for workers", the Tribunal said.

A full list of approval conditions can be found on the [Competition Tribunal's website](#).

For more, visit: <https://www.bizcommunity.com>