

Masscash stores sale to Black-owned Devland saves 640 jobs

A merger between Devland Cash and Carry and Massmart-controlled Masscash will save at least 640 jobs, said the Competition Tribunal following the approval of the transaction.



Credit: Massmart

The deal sees Black-owned Devland Cash and Carry, which owns and controls several firms that are active in the retail and wholesale trade of groceries and related products, acquire certain Masscash stores located in various parts of the country.

"Devland is owned and controlled by two historically disadvantaged persons (HDPs) while the target stores are not owned by HDPs. As such, the merger will also have a positive effect on the promotion of a greater spread of ownership, in particular to increase the levels of ownership by HDPs and workers in the grocery market," said the Tribunal.

Masscash operates wholesale businesses for the lower segments of consumer groups, such as Jumbo Cash and Carry, Trident and Shield, while its retail division includes Cambridge Foods.



Massmart plans further store closures, flags wider net loss this year

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Employment conditions

Employees from the Masscash stores involved in the deal will be transferred in terms of section 197 of the Labour Relations Act, and the deal was authorised on the condition that no employees be retrenched for nine months following the transaction's implementation date.

The Tribunal agreed with the Commission's assessment that that the merger is unlikely to lead any substantial lessening or prevention of competition in any market in South Africa.

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