



**MEDIA STATEMENT  
FOR IMMEDIATE RELEASE**

---

**DETERMINATION IN RESPECT OF THE ACQUISITION OF NBL INVESTMENT HOLDINGS (PTY) LTD AND  
DISTELL GROUP HOLDINGS LIMITED BY HEINEKEN INTERNATIONAL BV**

---

The Namibian Competition Commission (Commission) at its meeting held on the 5<sup>th</sup> of September 2022 resolved to approve the acquisition of NBL Investment Holdings (Pty) Ltd and Distell Group Holdings Limited by Heineken International BV (Heineken BV) with conditions. The transaction entails Heineken BV increasing its shareholding in NBL Investment Holdings (Pty) Ltd and thereby acquiring control over NBL Investment Holdings (Pty) Ltd, which is the holding company of Namibia Breweries Ltd (NBL). The transaction further entails Heineken BV through NBL acquiring Distell Namibia Ltd, a subsidiary of the Distell Group Holdings Ltd.

NBL is involved in the production, marketing, distribution, and supplies a range of beers. Furthermore, NBL supplies certain Heineken brands, specifically: Heineken Pure Malt Lager and Strongbow cider.

Heineken is the second biggest beer producer in the world and is active in the production, marketing and distribution of beer and other beverage.

**Commissioners:** Mr Peter Carlson (Chairperson), Ms Grace Mohamed (Vice Chairperson), Mr Linus //Garoeb, Ms Petronella Masabane  
and Ms Isabella Tjatjara

**EX Officio:** Mr Vitalis Ndalikokule (CEO & Secretary to the Commission)

After careful analysis of the proposed merger, which included extensive consultations with customers, competitors and other relevant industry stakeholders, the Commission approved the proposed merger with the following conditions:

### **1. Employment**

The Commission noted that due to the similarity in the operations of the merged entity, the merger may result in a duplication of functions and positions, the Commission imposed a moratorium on retrenchments by way of an employment condition. The condition states that, following implementation, there shall be no retrenchments of employees below management level of the Merged Entity in Namibia as a result of the merger for a period of five (5) years.

### **2. Access to Chilled Space/Refrigerators**

During its analysis the Commission identified entry barriers as a concern, particularly the ability of small Namibian companies to enter the market. NBLs' Commercial Policy prohibited retailers placing other products being placed in NBL branded refrigerators. The Commission further noted that due to the market share and/or market power that the Merged Entity will possess post-merger, a likelihood of this policy being enforced will likely deter or limit entry of Namibian-owned and Namibian-controlled undertakings in the market. As a result of these concerns the Commission imposed a condition on access to Chilled Space/refrigerators.

The condition state that the Merged Entity shall ensure that retailers shall be free to allocate up to 10% of Chilled Space/refrigerators in each beverage cooler owned by NBL or Distell Namibia in any on and off-consumption Outlet in Namibia. This allocation right shall apply only to products manufactured or packaged in Namibia by Namibian-owned and Namibian-controlled companies. The existing NBL Commercial Policy, must be amended and Merged Entity shall educate its employees and inform the market of the new changes to its Commercial Policy.

### **3. Divestiture of Strongbow Cider**

The analysis of the proposed merge revealed an overlap in the flavored alcoholic beverages (FAB) category in respect of Heineken and Distell. To remove the overlap the Commission imposed a condition designed to remove the overlap and ensure that competition is maintained in the FAB market category post-merger.

**Commissioners:** Mr Peter Carlson (Chairperson), Ms Grace Mohamed (Vice Chairperson), Mr Linus //Garoeb, Ms Petronella Masabane and Ms Isabella Tjatjara

**EX Officio:** Mr Vitalis Ndalikokule (CEO & Secretary to the Commission)

The condition states that within 1 (one) year, the Merged Entity will license the rights to produce, market, distribute and sell Heineken's Strongbow brand in the Territory, to a Purchaser. The divestiture of the Strongbow brand will take the form of a perpetual, royalty-free license for the use of the Strongbow brand.

The Commission further directed the Merged Entity not to engage in any activity that could reduce the value of *Strongbow*, hinder its sales, render it an ineffective competitive product. *Strongbow* must be divested to an entity that does not have any relationship with the Acquiring Group and its subsidiaries.

#### **4. Local Manufacturing**

The Commission noted that all Distell's products are manufactured in South Africa and imported into Namibia. The Commission determined that products consumed in Namibia must be manufactured or at least be bottled in Namibia and in so doing create additional employment and contribute to further industrialization and economic growth.

The Commission stated that the Merged Entity shall establish a significant proportion of Distell's current production in South Africa for products supplied in Namibia, backed by significant investment in existing and new production capacity at NBL's facilities. These will include:

- up to 50,000 HL of Distell's production and packaging of *Hunters* and *Savanna* brands from South Africa to Namibia within approximately 2 (two) years; and
- up to 200,000 HL of Distell's packaging of (a) selected wine brand(s) from South Africa to Namibia within approximately 3 (three) years.

#### **5. Local Sourcing**

The Commission noted that the Merged Entity procures certain products and services locally. Heineken and Distell being foreign owned-controlled companies the Commission was concerned that the Merged Entity might source products or services abroad (i.e., import substitution). To ensure that local sourcing continues post-merger, the Commission imposed the following conditions:

- The Merged Entity in respect of Input Products sourced locally pre-merger and having regard to existing agreements shall continue sourcing the referenced Input Products locally.
- The Merged Entity shall continue sourcing services procured from Namibian owned undertakings.

**Commissioners:** Mr Peter Carlson (Chairperson), Ms Grace Mohamed (Vice Chairperson), Mr Linus //Garoeb, Ms Petronella Masabane and Ms Isabella Tjatjara

**EX Officio:** Mr Vitalis Ndalikokule (CEO & Secretary to the Commission)

## 6. Customer Engagements

The Commission was concerned with potential abuse of dominance conduct that the Merged Entity might engage in post-merger and pre-emptively sought to address any such concern in its decision. The Commission imposed the following condition to deter the Merged Entity from engaging in exploitative/discriminatory conduct post-merger.

The condition stated that the Merged Entity shall not require customers in Namibia to purchase products within one product category (e.g. beer products) on condition that they also purchase products within any other product categories (e.g. wines) supplied by the Merged Entity.

## 7. MSME Development Fund

Having considered the effects of the COVID-19 pandemic on the economy and especially on the micro, small and medium enterprises (MSME), and to give effect to public interest considerations, specifically sections 47(2)(f) and (h) of the Act, the Commission imposed a condition requiring the establishment of an MSME Development Fund. The Fund will be used to build the capacity of selected MSMEs and thereby make them sustainable. The Fund is aimed at capacitating MSMEs and by so doing lead to growth and sustainability of the sector leading to further employment creation and economic growth.

The MSME Development Fund will be used to develop amongst others, technical trade and operational skills, end-to-end business management skills, digital, technology or related skills; or build capacity in areas of business directly or indirectly related to servicing the Merged Entity, including but not limited to the supply of technical services (e.g. stainless steel welding); the supply of secondary packaging (e.g. paper or plastic labels); the supply of advertising and promotion(al) services (e.g. manufacture of branded apparel or other branded items).

---

Issued by: Ms Dina //Gowases  
Corporate Communications Practitioner  
**On behalf of the Office of the CEO and Secretary to the Commission  
Namibian Competition Commission**  
Tel: 061-224622 (w) or 0811665683 (cell)  
Email: [dina.gowases@nacc.com.na](mailto:dina.gowases@nacc.com.na)

**Date:** 12 September 2022

Find us on the following social media platforms:

**Twitter:** @CompCo\_Nam  
**Facebook:** The Namibian Competition Commission

**Commissioners:** Mr Peter Carlson (Chairperson), Ms Grace Mohamed (Vice Chairperson), Mr Linus //Garoeb, Ms Petronella Masabane and Ms Isabella Tjatjara

**EX Officio:** Mr Vitalis Ndalikokule (CEO & Secretary to the Commission)