

SABMiller employees may view takeover with apprehension



By [Johan Botes](#)

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The decision by SABMiller's board to accept, in principle, the takeover bid made by the world's number one brewery (and SABMiller's largest competitor) Anheuser-Busch InBev (AB InBev) may make SABMiller employees apprehensive.



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Under South African employment law, employees enjoy significant protection against unfair termination of employment or amendments to terms and conditions of employment following the transfer of a business. Should AB InBev and SABMiller merge to form a new entity, the employees of SAB Miller may not be dismissed by the new entity purely because of the merger.

Section 197 of the Labour Relations Act 66 of 1995 (LRA) protects employee rights during transfers of businesses. Employees transfer from the old entity to the new one on terms and conditions of employment that are, overall, not less favourable than what they enjoyed prior to the transfer.

Should AB InBev retain SABMiller as a legal entity (and only acquire majority shareholding in the company), then no transfer of the business in terms of Section 197 occurs and employees continue employment unabated. In this scenario, only shareholders change. It is likely that Anheuser-Busch would seek to implement its own business practices and policies on the newly acquired SABMiller in due course. Whether this is to the benefit or detriment of employees, remains to be seen.

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