

Competition Commission gives green light for Sibanye, Lonmin deal

The South African Competition Commission has recommended that the South African Competition Tribunal approves the Sibanye-Stillwater acquisition of Lonmin subject to certain conditions.



Photo: sibanye-Stillwater

Despite the commission noting a vertical and horizontal overlap of Sibanye-Stillwater and Lonmin's activities in the platinum group metals (PGM) industry, it found that the proposed merger is unlikely to substantially prevent or lessen competition in any of the markets affected by the proposed merger.

These conditions laid out by the commission include Sibanye-Stillwater:

- Investigating and implementing certain mining projects to avoid retrenchments, subject to the economic viability of the projects being supported by prevailing future metal prices and enhanced operating costs achieved through the realisation of expected synergies.
- Committing to investigate the feasibility of an agri-industrial community development programme in the Rustenburg area similar to the Bokamoso Barona Initiative, a public-private partnership on the West Rand, which was announced on Friday 7 September 2018.
- Honouring Lonmin's current and future social and labour plans as agreed with the Department of Mineral Resources, as well as the agreements currently in place with the Bapo ba Mogale Community
- Continuing to support transformation in the mining industry, including the development of historically disadvantaged persons (HDP). In this regard Sibanye-Stillwater will both honour existing contracted HDP suppliers to Lonmin and endeavour to continue to utilise HDP suppliers, on reasonable commercial terms, in line with the Company's existing procurement policies.

"The positive recommendation by the commission to the tribunal is pleasing and on terms which we believe are fair, reasonable and in the best interest of all stakeholders. We are confident that this transaction will not only bring greater stability to these assets and ensure a more sustainable and positive future, but also demonstrate Sibanye- Stillwater's commitment to the South African mining sector," says Neal Froneman CEO of Sibanye-Stillwater.

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