

Sale of Burger King South Africa gets the green light

The South African Competition Tribunal has approved the sale of Burger King South Africa and Grand Foods Meat Plant by Grand Parade Investments to international private equity fund Emerging Capital Partners (ECP) Africa. This comes after the deal [hit a speedbump](#) earlier this year due to concerns around a lack of BEE shareholding in the acquiring firm.



© Pstt Khambubpha - [123RF](#)

The Competition Commission had initially recommended to the Competition Tribunal that the proposed acquisition be prohibited. Following this, BKSA, Grand Foods Meat Plant and ECP Africa Fund submitted an application to the Tribunal to reconsider and approve the proposed transaction, subject to revised conditions volunteered by the parties.

The Tribunal approved the transaction on 17 September 2021. This means that ECP, a US-founded private equity fund focused on Africa investments, will acquire Burger King South Africa and Grand Foods Meat Plant – which primarily supplies Burger King with burger patties – from Grand Parade.



Burger King decision: A case of govt policies working against each other?

14 Jun 2021



Conditions to be met within 5 years

The deal is subject to the following conditions, which need to be fulfilled within 5 years.

Burger King South Africa must:

- Procure the investment of no less than R500m in aggregate capital expenditure;
- Establish at least 60 new Burger King outlets in South Africa (thereby increasing the total number of Burger King outlets in South Africa to at least 150);
- Increase the number of permanent BKSA employees in South Africa by at least 1,250 historically disadvantaged persons
- Increase the total value of all payroll and employee benefits in respect of the 1,250 BKSA employees referred to above by not less than R120m; and
- Improve its rating for the Enterprise and Supplier Development element under its B-BBEE scorecard.

Disposal of Grand Foods Meat Plant

Additional merger conditions require that Burger King establish an employee share ownership programme for an effective 5% interest in BKSA.

ECP Africa Fund must also dispose of Grand Foods Meat Plant; and BKSA must conclude a supply agreement with Grand Foods Meat Plant and/or the purchaser of Grand Foods Meat Plant.

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