



South Africa: Sinopec's acquisition of Chevron gets green light

The Competition Commission has given the green light to the Competition Tribunal for the approval of the proposed 75% acquisition of Chevron SA (CSA) by Chinese firm SOIHL Hong Kong Holding Limited (SOIHL HK).

Chinese oil company Sinopec will move into the South African petroleum market by acquiring a 75% stake in Chevron's business through its subsidiary, SOIHL HK.

Following the approval from the Competition Commission, Sinopec will acquire assets for \$900 million including a 100,000 barrel per day oil refinery in Cape Town, a lubricants plant in Durban and a network of around 820 gas stations.

"Sinopec will make a significant investment over and above the current investment plans of CSA. Sinopec will also upgrade CSA's operations in line with the standards of its other refining operations, as well as expanding the refinery capacity in SA, over time," the commission said.

For the first five years Sinopec will keep Chevron's Caltex brand for its service stations before embarking in a possible rebranding process.