

Chevron-Sinopec \$900mn merger deal gets South Africa green light

The Competition Tribunal of South Africa has approved with conditions the \$900 million acquisition of Chevron South Africa (CSA) by SOIHL Hong Kong Holding Limited (SOIHL HK). SOIHL HK is a subsidiary of the state-owned China Petroleum & Chemical Corporation or Sinopec.

The acquisition gives China's SOIHL HK a 75% share in Chevron's South African unit, which owns assets including a 100,000 barrel per day oil refinery, a lubricants plant in Durban, 820 petrol stations, oil storage facilities, and 220 convenience stores in South Africa and Botswana.

As one of the [conditions of the transaction](#), SOIHL HK is subject to investing 6 billion rand (\$504 million) to upgrade CSA's refinery within five years.

In addition, CSA shall not retrench any employees as a result of the merger, said the South African Competition Tribunal in a statement.

With regard to service station operations, SOIHL HK shall ensure a ratio of independently owned CSA service stations of at least 65% and shall give preference to South African small businesses, especially black-owned businesses.

Currently, there are only approximately 25% owned by CSA while the rest, 615 stations, are independently owned.