PHILIPPINE COMPETITION COMMISSION
Ensuring businesses compete and consumers benefit

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IN THE MATTER OF THE PROPOSED JOINT VENTURE BETWEEN GENERAL MILLING CORPORATION AND ROCKWELL LAND CORPORATION
x--x

MAO CASE NO. M-2023-011

COMMISSION DECISION NO. 10-M-011/2023

This refers to the proposed joint venture (the Transaction) between General Milling Corporation (GMC) and Rockwell Land Corporation (Rockwell) (hereinafter collectively referred to as the Parties) incorporating a joint venture company, Rockwell GMC Development Corporation (the JVCo) submitted for the review of the Philippine Competition Commission (the Commission).[1]

Upon careful review of the existing market conditions, various submissions and representations of the Parties to the Commission, application of the PCA, and its Implementing Rules and Regulations, and related issuances, and the findings and recommendation of the Mergers and Acquisitions Office (MAO), the Commission finds that the Transaction will not likely result in substantial lessening, restriction, or prevention of competition for the reasons discussed below.

The Parties

GMC is a domestic corporation primarily engaged in the grain milling and food manufacturing business. It is also engaged in warehousing, tolling, breeding, raising, and culturing poultry and hogs, as well as commodity import and export. GMC's Ultimate Parent Entity (UPE) is Grand Floridian Holdings, Inc. (Grand Floridian), also a domestic corporation, which directly owns 66.45% of GMC.

Rockwell is a domestic corporation primarily engaged in the residential development of high-rise condominiums, as well as in retail and office leasing. Its UPE is Lopez, Inc., a domestic holding company of various subsidiaries involved in power generation, real estate development, broadcasting, entertainment, and telecommunications, among others.

[1] The Philippine Competition Commission conducts reviews of mergers and acquisitions, including joint ventures, pursuant to Sections 16 and 17 of Republic Act No. 10667, otherwise known as the Philippine Competition Act ("PCA"), and Section 1, Rule 4 of the Implementing Rules and Regulations of the PCA.

The Transaction

Under a Joint Venture Agreement dated 30 March 2023, GMC and Rockwell will incorporate the JVCo for the development and management of a mixed-use real estate project with residential and commercial components. The project is located in a 63-hectare property currently owned by GMC in Lipa City, Batangas.

Rockwell shall own 60% of the total outstanding shares of the JVCo, while GMC shall own the remaining 40%. The JVCo will be jointly controlled by the Parties, via board representation based on their shareholdings.

Discussion

After a careful assessment, the Commission finds that the Transaction will not likely result in substantial lessening, restriction, or prevention of competition in the development of real properties in the province of Batangas.

The Commission recognizes that there are other ongoing and available real estate developments in the residential, retail, and mixed-use segments in Batangas which will compete with the JVCo's project. Lipa City, Batangas and its surrounding municipalities and cities are fast becoming commercial hubs in the Southern Tagalog region, and several real estate projects are expected soon.[2] The Commission finds that all these existing and future real estate developments in the identified geographic market will pose sufficient competitive constraints to the JVCo.

ACCORDINGLY, the Commission resolves to **CLEAR** the proposed joint venture between General Milling Corporation and Rockwell Land Corporation incorporating a joint venture company, Rockwell GMC Development Corporation.

This Decision was rendered solely based on the facts disclosed, the circumstances of the proposed Transaction known to the Commission during the review period, and the documents submitted by General Milling Corporation and Rockwell Land Corporation.

SO ORDERED.

25 May 2023.

[2] Rockwell Notification Form, Appendix 8.5 "Market Study"; "Ayala Land to kick start Areza estate with retailproject", Business World, last November, 2022, accessed at https://www.bworldonline.com/corporate/2022/11/21/488325/ayala-land-to-kick-start-areza-estate-with- retail-project/, last accessed 22 May 2023; Loyola, James A., "ALI starts P9.8-B development of Areza estate in Lipa", Manila Bulletin, accessed at <https://mb.com.ph/2022/11/20/ali-starts-p9-8-b-development-of-areza- estate-in-lipa>, last accessed 22 May 2023.

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