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Common Market for Eastern
and Southern Africa

CCC Restrictive Business Practices (RBP)
Notice No. 1 of 2018.

Notice of Inquiry into the Deere and Company and AFGRI Zimbabwe Private Limited Distributorship Agreement

It is hereby notified in terms of Rule 61(4) of the COMESA Competition Rules (the “Rules”) that the COMESA Competition Commission (the “Commission”) is reviewing an agreement concluded between Deere and Company (“Deere”) and AFGRI Zimbabwe Private Limited (“AFGRI”).

The parties have submitted that under the Agreement, **AFGRI** will promote, market, sell, lease or rent out and distribute the Equipment and Parts from Deere. AFGRI will also carry out preventive maintenance, servicing and parts installation and repairs to ensure machine performance and customer satisfaction.

The Parties have further submitted that, **Deere** is a US Corporation having its principal business address at John Deere place, Moline. IL61265, USA. and one of the several wholly owned and solely controlled entities of Deere and Company. It is further submitted that Deere manufactures agriculture, construction and forestry machinery; industrial diesel engines, drivetrains and certain other components; and lawn care equipment. Deere`s operations are presently organized and reported in three major business divisions: Agriculture and Turf (“A&T”), Construction and Forestry(“C&F”), and Financial Services known as John Deere Financial Services (“JDF”).

Deere also operates a global network of service parts distribution operations through its own centers and a network of regional distributors and emergency depots around the world. The parties submitted that in the Common Market, Deere`s products are supplied to independent third parties who then distribute the products in the relevant Member States. In 2016, Deere supplied its agricultural machinery into DRC, Egypt, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

The parties have also submitted that the AFGRI, is a Zimbabwean company with its principal business address at Auckland & Hermes Rd, Harare. AFGRI supplies a wide range of agricultural equipment which include: flail mowers, flail shredders, harvesting (grain, cotton, sugar), hay & forage, planting & seeding, rotary cutters, scrapers, self-propelled sprayers & nutrient applicators, tillage, tractors - medium frame (100-210 engine HP), tractors - small

(45-125 engine HP), tractors - large (210-620 engine HP), self-propelled forage harvesters and tractor loaders.

The Commission shall assess the Agreement in order to determine whether it is compatible with the Common Market. Pursuant to Article 16 of the COMESA Competition Regulations (the “Regulations”), agreements which are incompatible with Common Market are prohibited if they are likely to have an effect on trade between Member States and have as their object the prevention, restriction or distortion of competition within the Common Market.

The Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: jmwesige@comesa.int. All written representations should be sent to the Commission not later than **23rd February, 2018**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Mr. John Mwesige**, on Tel: +265 (0) 1 772466.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.
