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**Common Market for Eastern
and Southern Africa**

Staff Paper No. 2018/01/JB/02

Decision¹ of the Thirty Seventh Committee Responsible for Initial Determination on the Application for Authorisation of the Merger Involving Total S.A. and Eren Renewable Energy S.A.

ECONOMIC SECTOR: Power Generation

29th January 2018 – Johannesburg, South Africa

¹ In the published version of this decision, some information may have been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

Information and Relevant Background

1. On 2nd October 2017, the COMESA Competition Commission (hereinafter referred to as the "Commission") received an application for authorisation of a merger between Total S.A. (hereinafter referred to as "Total") and Eren Renewable Energy S.A. (hereinafter referred to as "Eren RE").
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (hereinafter referred to as the "Regulations"). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the proposed transaction between the parties would, or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. The Committee Responsible for Initial Determination (hereinafter referred to as "the CID") established that the parties operate in more than one COMESA Member State. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

The Parties

Total

4. Total, together with its subsidiaries, is an internationally integrated energy producer. With operations in more than 130 countries, Total is engaged in every sector of the oil and gas industry, including upstream (hydrocarbon exploration, development and production) and downstream (refining, petrochemicals, specialty chemicals, trading and shipping of crude oil and petroleum products and marketing).

Eren RE

5. Eren RE is a French registered company. It is active in the renewable energy sector. Eren RE has a set of wind, solar and hydraulic assets, mainly spread over France, Greece, Israel, Brazil, Uganda and India. Within COMESA, Eren RE is active in the development, construction and operation of photovoltaic power plant in Uganda only. It is Uganda's first grid-connected photovoltaic power plant. The electricity produced is added to Uganda's national grid and sold to the Uganda Electricity Transmission Company.

Nature of the Transaction

6. The transaction entails the acquisition of 23% interest in Eren RE by Total. The parties'


Competition Analysis

7. The CID observed that there are no overlaps in the activities of the parties in the Common Market. Total is not involved in the construction and operation of photovoltaic power plants in the Common Market while Eren RE is not involved in the petroleum sector in the Common Market. The CID defined the relevant markets as the:
- Construction and operation of photovoltaic power plants; and
 - Generation and wholesale supply of electricity.
8. The CID observed that pre-merger, there are no horizontal overlaps in the activities of the merging parties and therefore the merger is not likely to lead to any accretion of market shares in the relevant markets.

Determination


9. The CID determined that the merger is not likely to lessen competition in the Common Market and is compatible with the COMESA Treaty objective of full market integration. The CID therefore approved the merger.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 29th of January 2018



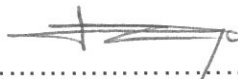
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Commissioner Thabisile Langa (Chairperson)



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Commissioner Trudon Nzembela
(Member)



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Commissioner Chilufya Sampa
(Member)