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**Common Market for Eastern
and Southern Africa**

Staff Paper No. 2018/01/JB/01

Decision¹ of the Thirty Seventh Committee Responsible for Initial Determination on the Application for Authorisation of the Proposed Acquisition of Sole Control of Maersk Olie og Gas A/S by Total S.A.

ECONOMIC SECTOR: Petroleum

29th January, 2018 – Johannesburg, South Africa

¹ In the published version of this decision, some information has 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 13th October 2017, the COMESA Competition Commission (hereinafter referred to as the "Commission") received a notification in relation to the acquisition of Maersk Olie og A/S (hereinafter referred to as "Maersk Oil") by Total S.A (hereinafter referred to as "Total").
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 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 is a publicly listed company incorporated under the Laws of France with listings on the Paris, New York, London, and Brussels Stock Exchanges. It is an internationally integrated energy producer which has operations in more than 130 countries worldwide. Total operates in various sectors of the oil and gas industry which comprise both upstream and downstream activities. The upstream activities include hydrocarbon exploration, development and production while the downstream activities include refining, petro-chemicals, specialty chemicals, trading and shipping of crude oil and petroleum products and marketing. Further, Total is involved in the renewable energy and power generation sectors.

Maersk Oil

5. Maersk Oil, is a public limited company incorporated and registered under the Laws of Denmark. It is owned by the A.P. Møller-Maersk A/S, a Danish company with activities in the transport and logistics energy sectors whose headquarters is in Copenhagen, Denmark. In the Common Market, Maersk Oil has exploration activities for crude oil and natural gas in Kenya only.

Nature of the Transaction

6. The proposed transaction involves the acquisition by Total of 100 % of the issued share capital of Maersk Oil.

Competition Analysis

7. The CID defined the relevant markets as follows:
- a) The exploration of crude oil and natural gas;
 - b) The production and sale of crude oil; and
 - c) The production and sale of natural gas.
8. The CID observed that the relevant markets are characterised by many competitors and therefore the merger is not likely to significantly alter the market structure and trade between Member States. The CID noted that in the Common Market, significant competition concerns are not likely to arise from this merger as the parties' activities overlap only in Kenya.

Determination

9. The CID determined that the merger is not likely to substantially lessen competition in the Common Market and/or negatively affect trade between Member States. The CID therefore approved the transaction.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 29th 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)

