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**Common Market for Eastern
and Southern Africa**

Staff Paper No. 2017/06/JB/01/B

**Decision¹ of the Thirty Second Committee Responsible for Initial
Determination on the Application for Authorisation of the Acquisition
of Manica Holdings Limited by AMI International Limited and Bchange
Group Pte Limited**

ECONOMIC SECTOR: Freight Forwarding and Warehousing

22nd June, 2017 – 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 14th September 2016, the COMESA Competition Commission (hereinafter referred to as "the Commission") received an application in relation to a merger between AMI International Limited (hereinafter referred to as "AMI"), Bchange Group Pte Limited (hereinafter referred to as "Bchange") and Manica Holdings Limited (hereinafter referred to as "Manica").
2. The transaction was notified with the Commission in accordance with Article 24(1) of the COMESA Competition Regulations (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

AMI

4. AMI is an independent private limited organisation and a holding company, controlling a number subsidiaries in the Common Market and beyond. The core activity of the company is freight forwarding, which encompasses sea freight, air freight and project cargo movement. Through its subsidiaries, AMI is active and has interests in Malawi, Kenya, Burundi, Mauritius, Uganda and Rwanda.

Bchange

5. Bchange is a business consulting private company duly incorporated in the Republic of Singapore. Bchange does not have any operations in the Common Market.

Manica

6. The target undertaking, Manica, is a public company duly incorporated in the Republic of South Africa, whose shares are 100% held by the Bidvest Group Limited. The Bidvest Group Limited is a public company listed on the Johannesburg Stock Exchange, and has dispersed shareholding. Manica Holdings has various wholly owned subsidiaries in South Africa, Zambia, Zimbabwe and Malawi. Manica is primarily active in providing freight forwarding services warehousing/depot services in various sub-Saharan countries.

Nature of the Transaction

7. The transaction involves the acquisition by AMI and Bchange of 55% and 45% of the shares in Manica, respectively, from Bidvest Group Limited.

Competition Analysis

8. The CID defined the relevant market as the provision of Freight Forwarding and Warehousing in the Common Market. The CID observed that the merger is not likely to substantially prevent or lessen competition in the relevant market and is not likely to be contrary to public interest as provided for under Article 26(3) of the Regulations.

Determination

9. The CID determined that the merger is not likely to negatively affect trade between Member States and is compatible with the Treaty establishing the Common Market for Eastern and Southern Africa. The CID therefore approved the transaction. The approval has been granted on the premise that the parties have undertaken that:

- a) for a period of 24 months commencing on the Approval date, no employees will be retrenched by the merging parties in Malawi as a result of the merger; retrenchments shall not include:-

- i. voluntary retrenchment and/or voluntary separation arrangements; and
- ii. voluntary early retirement offers.

10. This decision is made in accordance with Article 26 of the Regulations.

Dated this 22nd day of June 2017


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Commissioner Thabisile Langa (Chairperson)


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Commissioner Patrick Okilangole


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Commissioner Chilufya Sampa