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Common Market for Eastern
and Southern Africa

Staff Paper No. 2017/03/JB/06

**Decision¹ of the Thirtieth Committee Responsible for Initial
Determination on the Application for Authorisation of the Acquisition of
Tsebo Holdings Proprietary Limited by Wendel SE**

ECONOMIC SECTOR: REMOTE CAMPING SERVICES

16th March, 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 13 January, 2017, the COMESA Competition Commission (hereinafter referred to as the "Commission") received a notification for approval of a merger from Wendel SE (hereinafter referred to as "Wendel") and Tsebo Holdings Proprietary Limited (hereinafter referred to as "Tsebo").
2. The transaction was notified with the Commission under 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

Wendel

4. Wendel is a French investment company listed on the Euronext Paris Stock Exchange which has a portfolio of companies active in a number of sectors including verification and certification services; specialty chemicals for leather; telecommunication infrastructure and distribution of paints; design; and production of packaging solutions. It has operations in the following COMESA Member States: Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Rwanda, Uganda, Zambia and Zimbabwe.

Tsebo

5. Tsebo, is an investment holding company incorporated in South Africa. It is primarily involved in the business of providing facilities management solutions; catering; cleaning and security services; hygiene services; and energy management solutions. In the Common Market, Tsebo has operations in the following Member States: Democratic Republic of Congo, Kenya, Mauritius, Swaziland, Uganda, Zambia and Zimbabwe

Nature of the Transaction

6. The transaction involves the acquisition of Tsebo by Wendel through a shelf company trading as Main Street 1476 Proprietary Limited which has been created for purposes of the transaction. Upon completion of the Proposed Transaction Wendel will be the sole controlling shareholder of Tsebo.

Competition Analysis

7. The CID defined the relevant market as:

(a) Remote location facilities management services which can further be disintegrated into:

- Remote location catering services; and
- Remote location cleaning and janitorial services.

(b) Remote location facilities design service; and

(c) Remote location maintenance service

in the Common Market.

8. 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 provided under Article 26(3) of the Regulations.

Determination

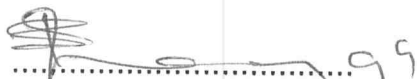
9. The CID determined that the merger is not likely to negatively affect trade between Member States and is compatible with the Treaty establishing the Common Market for Eastern and Southern Africa. The CID therefore approved the transaction.

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

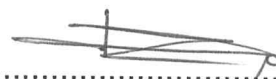
Dated this 16th day of March, 2017



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Commissioner Matthews Chikankheni (Chairman)



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Commissioner Thabisile Langa (Member)



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Commissioner Chilufya Sampa (Member)