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Common Market for Eastern
and Southern Africa

CASE FILE No. CCC/MER/9/32/2014

**Decision¹ of the Fourteenth Meeting of the Committee of Initial
Determination Regarding the Proposed Merger between ImproChem
Proprietary Limited and Clariant Southern Africa's Water Treatment
Business**

ECONOMIC SECTOR: WATER TREATMENT

10th March 2015 – 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 25th September 2014, the COMESA Competition Commission (hereinafter referred to as "the Commission") received a notification for approval of a merger from ImproChem Proprietary Limited (hereinafter referred to as "ImproChem") and Clariant Southern Africa Proprietary Limited (hereinafter referred to as "Clariant").
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations (hereinafter referred to as "the Regulations"). Under this provision 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 pursuant to Article 26 of the Regulations.
3. The Committee of Initial Determination (hereinafter referred to as "the CID") noted that the parties operate in two or more COMESA Member States. This, therefore, means that the regional dimension requirements under Articles 23(3) and 23(5) of the Regulations are satisfied and asserts jurisdiction of the Commission to assess the transaction. The parties to the transaction are currently active in the following COMESA Member States:
 - DRC
 - Ethiopia
 - Eritrea
 - Kenya
 - Malawi
 - Mauritius
 - Rwanda
 - Seychelles
 - Sudan
 - Swaziland
 - Zambia
 - Zimbabwe

The Parties

ImproChem

4. ImproChem is a seller of chemical processing, water and waste water treatment, water optimisation, total water management, hygiene and sanitation as well as additive products and services. Its head office, development laboratories, manufacturing plant and regional offices are located in South Africa. It supplies water and wastewater treatment products and associated services to the municipal sector as well as the following industrial sectors: petrochemicals; steel and smelting; power generation; food and beverages; mining; paper; sugar; textiles; automotives, amongst others.

Clariant

5. Clariant is a company registered in South Africa. It is a wholly owned subsidiary of Clariant Produkte (Deutschland) GmbH (Clariant Produkte), a company registered in

Germany. The ultimate holding company of Clariant Produkte is Clariant AG, a company registered in Switzerland.

Nature of the Transaction

6. The transaction involves the acquisition by ImproChem of the water and wastewater treatment business of Clariant. In terms of the Sale of Business Agreement between ImproChem and Clariant, ImproChem is purchasing the water treatment business which may be more fully described as a fully stand-alone and autonomous business unit of Clariant, being sold as a going concern and which includes property, rights, benefits, employees and contracts of the water treatment business unit.

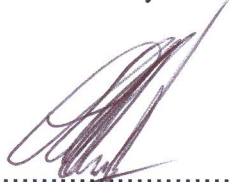
Competition Analysis

7. The CID established that the transaction would not frustrate the single market objective of the Treaty in that it does not have an appreciable effect on trade between Member States. The CID has further established that the water and wastewater treatment market in the Common Market is contested by a number of players with manufacturing bases in South Africa and Asia. This is indicative of the levels of competition present in the market.

Determination

8. The CID determined that the merger does not substantially prevent or lessen competition and is compatible with the Treaty Establishing the Common Market. The CID has therefore decided to approve the transaction.
9. This decision is adopted in accordance with Article 26 of the Regulations.

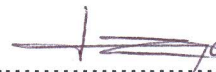
Dated this 10th day of March, 2015.



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Commissioner Alexander J. Kububa (Chairman)



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Commissioner Thabisile Langa (Member)



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Commissioner Chilufya Sampa (Member)