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**Common Market for Eastern  
and Southern Africa**

**CASE FILE No. CCC/MER/03/04/2015**

**Decision<sup>1</sup> of the Sixteenth Meeting of the Committee of Initial Determination Regarding the Proposed Acquisition of the Entire Issued Share Capital of Kenya Towers Limited, Malawi Towers Limited and Uganda Towers Limited by Eaton Towers Limited**

**ECONOMIC SECTOR: TELECOMMUNICATIONS TOWERS**

**29<sup>th</sup> July 2015 – Lilongwe, Malawi**

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<sup>1</sup> 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 8th April 2015, the COMESA Competition Commission hereinafter referred to as (“the Commission”) received a notification for approval of a merger from Eaton Towers Limited hereinafter referred to as (“Eaton”) and Airtel.<sup>2</sup>
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:
  - Kenya
  - Malawi
  - Uganda

## **The Parties**

### **Eaton Towers Limited**

4. The acquiring firm Eaton is a telecommunications towers company with a diverse portfolio of passive telecommunications infrastructure in Africa. Eaton acquires, builds and manages shared telecom infrastructure, leasing it to mobile operators. The company is focused exclusively on Africa with more than 5000 towers in 7 countries. Eaton has been operational since 2010. Eaton’s customers include major African mobile operators such as Airtel, MTN, Orange, Tigo, Vodacom and Vodafone.

### **Airtel**

5. Airtel is a global telecommunications services provider with operations in 20 countries across Asia and Africa. Its product offerings include 2G, 3G and 4G wireless services and mobile commerce. Headquartered in New Delhi, India, the company ranks amongst the top 4 mobile service providers globally in terms of subscribers.

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<sup>2</sup> In this Decision, Airtel has generally been used in the collective sense to represent Airtel Networks Kenya Limited, Bharti Airtel Malawi Holdings B.V and Airtel Uganda Limited.

### **Nature of the Transaction**

6. The proposed transaction involves the acquisition by Eaton Towers of the tower business of Kenya Towers, Malawi Towers and Uganda Towers in three COMESA Member States namely, Kenya, Malawi and Uganda.

### **Competition Analysis**

7. The CID defined the relevant product market as telecommunication towers and other high point structures and sites. The CID established that the transaction does will not result in an appreciable effect on trade between Member States and hence does not frustrate the single market objective of the Treaty Establishing the Common Market for Eastern and Southern Africa.

### **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 therefore decided to approve the transaction.
9. This decision is adopted in accordance with Article 26 of the COMESA Competition Regulations.

Dated this 29<sup>th</sup> day of July, 2015.



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**Commissioner Matthews Chikankheni (Chairman)**



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**Commissioner Thabisile Langa (Member)**



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**Commissioner Patrick Okilangole (Member)**