



**COMESA Competition Commission**  
Kang'ombe House, 5th Floor-West Wing  
P.O. Box 30742  
Lilongwe 3, Malawi  
Tel: +265 1 772 466  
Email- [compcom@comesa.int](mailto:compcom@comesa.int)



**Common Market for  
Eastern and Southern Africa**

**Case No. CCC/MER/01/06/2018**

**Decision<sup>1</sup> of the Forty-Sixth Committee Responsible for Initial Determination on the Application for Authorisation of the Merger Involving Business Venture Investments No. 2032 Proprietary Limited and Waco International Holdings Proprietary Limited**

**ECONOMIC SECTOR: Construction**

**5<sup>th</sup> October 2018 – Johannesburg, South Africa**

---

<sup>1</sup> In the published version of this decision, some information may have 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

*uDe T.P.P. B.M.L*

## **Introduction and Relevant Background**

1. On 7<sup>th</sup> February 2018, the COMESA Competition Commission (hereinafter referred to as the "Commission") received an application for authorisation of a merger between Business Venture Investments No. 2032 Proprietary Limited and ("**BidCo**"), and Waco International Holdings Proprietary Limited ("**Waco**").
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 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 operated in more than one COMESA Member State. This therefore meant that the regional dimension requirement under Article 23(3) of the Regulations was satisfied and asserted jurisdiction on the Commission to assess the transaction.

## **The Parties**

### ***Bidco***

4. The parties submitted that the acquiring undertaking, BidCo, was a special purpose vehicle, established specifically for purposes of the proposed transaction and did not have any operations in the Common Market. BidCo was ultimately controlled by private equity investment funds established and managed by ABRAAJ Holdings Limited ("**ABRAAJ Holdings**"). ABRAAJ Holdings was a private equity investment firm focusing on investments in growth markets throughout Asia, Africa, Latin America and the Middle East. In the Common Market, ABRAAJ Holdings has operations through its portfolio companies in Egypt, Kenya, Rwanda, Uganda and Zambia.

### ***Waco***

5. The parties submitted that Waco is a diversified equipment rental and industrial services business with operations in South Africa, other sub-Saharan African countries, Australasia (Australia and New Zealand) and the UK. In the Common Market, Waco has operations in the Democratic Republic of Congo, Kenya, Mauritius, Eswatini and Zambia.

## **Nature of the Transaction**

6. The transaction involves the acquisition by Bidco of 100% of the total issued shares in Waco.

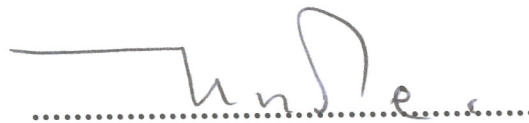
### **Competition Analysis**

7. The CID observed that there were no horizontal overlaps in the activities of the merging parties pre-merger and thus the merger would not alter the market concentration.

### **Determination**

8. The CID determined that the merger was not likely to substantially lessen competition in the Common Market and was compatible with the COMESA Treaty objective of full market integration. The CID therefore ratified the merger authorisation issued by the Director of the Commission on 23<sup>rd</sup> May 2018.
9. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 5<sup>th</sup> of October 2018



**Commissioner Patrick O. Okilangole**  
(Chairperson)



**Commissioner Brian M. Lingela**  
(Member)



**Commissioner Thembelihle P. Dube**  
(Member)