



Kang'ombe House, 5th Floor-West Wing  
P.O. Box 30742  
Lilongwe 3, Malawi  
Tel: +265 (0) 1772466  
Email- compcom@comesa.int

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Common Market for Eastern  
and Southern Africa

## **CCC Merger Inquiry Notice No. 38 of 2018**

### **Notice of Inquiry into the Proposed Formation of a Full-Function Joint Venture Company between LetterOne Holdings S.A. and BASF S.E.**

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It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed formation of a full-function joint venture company between LetterOne Holdings S.A. (“**LetterOne**”) and BASF S.E. (“**BASF**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

In terms of the notified joint venture, the parties submitted that on 27<sup>th</sup> September 2018, LetterOne Holdings S.A. and BASF S.E. signed a Business Combination Agreement in terms of which the parties intend to create a joint venture combining their oil and gas activities. The joint venture company will be named Wintershall DEA Holding GmbH. The proposed joint venture will be principally active in the exploration and production of oil and gas, and to a limited extent, in gas transportation.

The parties have submitted that LetterOne, a company incorporated under the laws of Luxembourg, is a private investment holding company focusing on investments, through its subsidiaries, in the energy sector. LetterOne owns DEA Deutsche Erdoel AG, an international exploration and production company for oil and gas, with headquarters in Hamburg, Germany. The acquiring group is present in the following COMESA Member States: Egypt, Kenya, and Libya.

The parties have submitted that BASF is a European stock corporation mainly active in the chemical sector and which portfolio is split into five segments: chemicals, performance products, functional materials and solutions, agricultural solutions and oil and gas. BASF owns Wintershall Holding GmbH, headquartered in Germany, which is active in the exploration and production of oil and gas in Europe, Russia, South America, North Africa, and the Middle East. The BASF Group is active in the following COMESA member states: Burundi, Djibouti, the DRC, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Eswatini, Tunisia, Uganda, Zambia, and Zimbabwe.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether or not the merger is likely to substantially prevent or lessen competition

within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: [sbooluck@comesa.int](mailto:sbooluck@comesa.int). All written representations should be sent to the Commission not later than **21<sup>st</sup> January 2019**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms. Sandya Booluck, Economist, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or [sbooluck@comesa.int](mailto:sbooluck@comesa.int).

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.