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Common Market for Eastern  
and Southern Africa

## **CCC Merger Inquiry Notice No. 11 of 2019**

### **Notice of Inquiry into the Proposed Merger Involving The Saudi Arabian Mining Company and Meridian Consolidated Investments Limited**

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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 merger involving The Saudi Arabian Mining Company (“**SAMC**”) and **Meridian Consolidated Investments Limited** (“**Meridian**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the notified transaction entails the proposed acquisition by SAMC of a majority of the issued share capital of Meridian<sup>1</sup> with the existing management of Meridian retaining a minority shareholding in Meridian.

The parties have submitted that SAMC was formed in 1997 by Royal Decree of the Kingdom of Saudi Arabia with a mandate to develop Saudi Arabia's third business sector, being the minerals sector, in addition to its interests in the oil and petrochemicals sector. SAMC is listed on the Saudi Stock Exchange and is ranked among the top 10 global mining companies based on market capitalization. SAMC is a diversified mining and minerals company that has four key business areas: (i) gold and base metals; (ii) phosphate; (iii) aluminium; and (iv) industrial minerals. Its mining operations and projects are currently mainly situated in Saudi Arabia. The parties have submitted that SAMC does not have any mining operations, projects or mineral exploration programs in any COMESA Member State, but it sells phosphate fertilizer bulk to distributors in Kenya.

The parties have submitted that Meridian, a Mauritian based agricultural commodity trading company, through its subsidiaries, operates from Mauritius across Malawi, Zambia and Zimbabwe in the Common Market. Its core focus is on the importation, blending and distribution of high-quality fertilizer. In addition to its fertilizer business, Meridian's subsidiaries also operate agricultural and hardware retail outlets, and sells certain commodities such as soya beans, maize, oilseed, groundnuts and salt.

The parties have submitted that although both merging parties are active in the market for fertilizers, there is no geographic overlap in the activities of SAMC and Meridian.

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<sup>1</sup> With the exclusion of two subsidiary firms, Demeter Agriculture Limited and Fuelcrops Demeter Limited.

The parties have submitted that the current majority shareholder in Meridian is an investment holding company and its intention has always been to divest of its interest in Meridian after a minimum investment period of five years. This transaction represents the operation of that decision and SAMC was selected as the appropriate acquirer.

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 **29<sup>th</sup> May 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, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or E-mail [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.