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Common Market for Eastern  
and Southern Africa

## **CCC Merger Inquiry Notice No. 12 of 2019**

### **Notice of Inquiry into the Proposed Merger Involving Saudi Arabian Oil Company and Saudi Basic Industries Corporation**

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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 Saudi Arabian Oil Company (together with the entities it directly or indirectly controls, “**Saudi Aramco**”) and Saudi Basic Industries Corporation (together with the entities it directly or indirectly controls, “**SABIC**”), 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 Saudi Aramco of sole control of SABIC by way of an acquisition of 70% of SABIC’s shares, which are currently owned by Public Investment Fund of Saudi Arabia, a wealth fund established in 1971 by a Royal Decree of the Kingdom of Saudi Arabia and fully-owned by the Kingdom of Saudi Arabia.

The parties have submitted that Saudi Aramco, the acquiring undertaking, is a joint stock company incorporated in, and wholly-owned by, the Kingdom of Saudi Arabia, with its principal business address at P.O. Box 5000, Dhahran 31311, Saudi Arabia. Saudi Aramco is primarily engaged in the exploration, production and marketing of crude oil and, to a limited extent, in the production and marketing of refined products and petrochemicals. In the Common Market, Saudi Aramco is present in Egypt, Kenya, Libya, Sudan, and Tunisia.

The parties have submitted that SABIC, the target undertaking, is a joint stock company established by Royal Decree of the Kingdom of Saudi Arabia on 6 September 1976, which is listed on the Saudi Stock Exchange with its principal business address at P.O. BOX 5101, Riyadh 11422, Saudi Arabia. SABIC is primarily active in the production and sale of commodity chemicals (including petrochemicals), intermediates, polymers (also referred to as plastics), fertilizers and, to some extent, metals. SABIC's is mainly active in four product segments: (i) petrochemicals, (ii) agri-nutrients, (iii) metals, and (iv) specialties. In the Common Market, SABIC is present in the Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Kenya, Libya, Malawi, Mauritius, Rwanda, Somalia, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe.

The parties have submitted that the parties' activities are largely complementary as global level, Saudi Aramco focuses on upstream products such as crude oil, natural gas and oil-based transport fuels (including aromatics) and SABIC focuses on downstream petrochemicals and specialty chemicals. The parties have further submitted that in the Common Market, the parties' overlapping activities are very limited and the parties do not supply any products to each other.

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.