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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 23 of 2019

Notice of Inquiry into the Joint Venture involving CFAO and Compagnie Financiere Michelin SCmA

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 formation of a joint venture between CFAO and Compagnie Financiere Michelin SCmA (“**Michelin**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that CFAO and Michelin have formed a joint venture, Tyre Distribution Africa Limited, for the purposes of distribution and retail of a multi brand tyres, tyre-related accessories and providing tyre-related services in Kenya and Uganda.

It is submitted that Michelin is a corporation existing under the laws of Switzerland registered on 30 December 1960. It is a wholly owned subsidiary of Compagnie Generale des Etablissements Michelin (“**CGEM**”). Michelin Group’s primary business activity is tyre manufacturing. Michelin does not have any operations in the Common Market. However, through arrangements with non-exclusive importers, its brand of tyres are exported by Transityre B.V. (indirectly owned by CGEM and part of the CGEM Group) to the following Member States: Burundi, Comoros, the Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia, and Zimbabwe.

It is submitted that CFAO is a corporation existing under the laws of France registered on 6 May 1996. It is a multinational company engaged in the sale of manufactured goods, especially automobiles and pharmaceutical products and carries out its business mainly in Africa. CFAO is a wholly owned subsidiary of Toyota Tsusho Corporation which has presence in the Common Market. CFAO derives revenues in the following Member States: the Democratic Republic of Congo, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Uganda, Zambia, and Zimbabwe.

The parties have submitted that the objective of the joint venture is to have a distribution footprint through the use of existing networks developed by third parties or developing its own network that would promote tyre sales and tyre related services in Kenya and Uganda.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether or not the proposed transaction is likely to substantially prevent or lessen competition within the Common Market and whether the proposed transaction 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 parties to the joint venture to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **6th August 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 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.