



COMESA Competition Commission  
Kang'ombe House, 5th Floor-West Wing  
P.O. Box 30742  
Lilongwe 3, Malawi  
Tel: +265 (0) 1 772 466  
Email- compcom@comesa.int



Common Market for Eastern  
and Southern Africa

**Case File No. CCC/MER/04/12/2019**

**Decision<sup>1</sup> of the Fifty-Ninth (59<sup>th</sup>) Committee Responsible for Initial Determination Regarding the Proposed Merger involving The Saudi Arabian Mining Company and Meridian Consolidated Investments Limited**

**ECONOMIC SECTOR: Agriculture**

**30<sup>th</sup> July 2019**

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

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## **Information and Relevant Background**

1. On 8<sup>th</sup> May 2019, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of a merger involving The Saudi Arabian Mining Company (“**SAMC**”), and Meridian Consolidated Investments Limited (“**Meridian**”).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (the “**Regulations**”). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the 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 (the “**CID**”) established that the parties operate in more than one COMESA Member State and they meet the prescribed notification thresholds. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

## **The Parties**

### *SAMC (the Acquirer)*

4. It was submitted that SAMC was formed in 1997 by a Royal Decree of the Kingdom of Saudi Arabia with a mandate to develop Saudi Arabia's third business sector, the minerals sector. In addition, SAMC has interests in the oil and petrochemicals sector. Besides, SAMC is a diversified mining and minerals company that has four key business areas: (i) gold and base metals; (ii) phosphorus; (iii) aluminium; and (iv) industrial minerals. SAMC does not have any mining operations, projects or mineral exploration programs in any COMESA Member State. SAMC is a wholesale supplier of phosphate fertilizers to retailers of phosphate fertilizers in Kenya.

### *Meridian (the Target)*

5. It was submitted that Meridian is a Mauritian based agricultural commodity trading company that, through its subsidiaries, operates from Mauritius across Malawi, Seychelles, Zambia and Zimbabwe. Its core focus is on the importation, blending and supply of fertilizer, under its flagship brand, Superfert Fertilizer. In addition to its fertilizer business, Meridian also operates agricultural and hardware retail outlets, and sells certain commodities such as soya beans, maize, oilseed, groundnuts and salt.

## **Nature of the Transaction**

6. The parties have submitted that the notified transaction entails the proposed acquisition by SAMC of a majority of the issued share capital of Meridian.

## Competition Analysis

7. The CID defined the relevant markets as follows:
  - a) Supply of phosphate at global level; and
  - b) Wholesale supply of phosphate fertiliser at global level.
8. The CID observed that the transaction is not likely to raise significant competition concerns due to the relatively low market shares of the merging parties in the relevant markets. The CID also observed that the relevant markets are characterised by the presence of global competitors which will continue to give competitive pressure to the merging parties.

## Determination

9. The CID determined that the merger is not likely to substantially lessen or prevent competition in the Common Market or any substantial part of it. The CID further determined that the transaction is unlikely to negatively affect trade between Member States. The CID therefore approved the transaction.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 30<sup>th</sup> of July, 2019



**Commissioner Patrick Okilangole (Chairperson)**



**Commissioner Brian M. Lingela**



**Commissioner Thembelihle P. Dube Nee Dlamini**