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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 31 of 2019

Notice of Inquiry into the Merger Involving the Acquisition of Shares in GAP Chemicals Proprietary Limited by Zaad Holdings Limited

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 on the merger involving the acquisition of shares in GAP Chemicals Proprietary Limited (“**GAP**”) by Zaad Holdings Limited (“**Zaad**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that Zaad currently owns a non-controlling interest in the issued shares of GAP. In terms of the proposed transaction, Zaad intends to acquire the remaining issued shares in GAP, either in terms of the right it has acquired to call upon original shareholders to sell the remaining shares in GAP to Zaad (Call Option) and/or in terms of the Original Shareholder’s right to put the remaining shares in GAP to Zaad (“Put Option”).

The parties have submitted that the acquiring undertaking Zaad is a public company incorporated in the accordance with the laws of South Africa. Zaad is directly controlled by Zeder Investments Limited which is listed on the South African securities exchange. In addition to Zaad, Zeder also controls other firm incorporated in South Africa such as Zeder Financial Services Limited, Capespan Group Limited and The Logistics Group Proprietary Limited (all together referred to as the “acquiring group”). The acquiring group operates in the Common Market for Eastern and Southern Africa (COMESA) as an agri-business and produces and distributes agricultural seed and agro-chemicals. The acquiring group has operations in the following COMESA Member States: Burundi, Democratic Republic of Congo, Egypt, Eritrea, Eswatini, Ethiopia, Kenya, Malawi, Mauritius, Sudan, Tunisia, Uganda, Zambia and Zimbabwe

The parties have submitted that the target undertaking, GAP, is a private company incorporated in South Africa. GAP, indirectly via Farm-AG International Proprietary Limited (“Farm-Ag”), wholly owns ATS Agrochemicals Limited (ATS Zambia) which is incorporated in Zambia. The target group via Farm-Ag and its subsidiary ATS Zambia are importers and retailers of agrochemicals in COMESA Member States. The target group sells herbicides, insecticides, adjuvants and plant growth regulators within COMESA region. The target group has operations in the following COMESA Member States: Democratic Republic of Congo, Eswatini, Malawi, Mauritius, 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: akamanga@comesa.int. All written representations should be sent to the Commission not later than **21st October, 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 **Mr. Ali Kamanga, Senior Analyst - Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or E-mail akamanga@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.