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Common Market for Eastern
and Southern Africa

Date: 10th July 2020

CCC Merger Inquiry Notice No. 20 of 2020

Notice of Inquiry into the Merger between IPS Cable Systems Limited and SEACOM Holdings, Ltd (Mauritius)

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 IPS Cable Systems Limited (“**IPS – the acquiring undertaking**”) and SEACOM Holdings Ltd (Mauritius) (“**SEACOM – the target undertaking**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the proposed transaction involves the acquisition of 100% shareholding in the target by IPS resulting in IPS indirectly owing 25% voting rights and 10% economic rights in SEACOM Capital Ltd (Mauritius). It was submitted that the proposed transaction will further grow and enhance the business of the target and assist steering the target on a sustainable growth trajectory into the future in a diverse range of African markets.

The Parties

IPS

The parties have submitted that the acquiring undertaking, IPS, is incorporated in Mauritius with its registered office at C/O Ocorian, 6th Floor, Tower A, 1 CyberCity, 72201, Ebene, Mauritius. IPS wholly owns IPS Cable Holdings Limited, an investment holding company which owns shares in SEACOM Capital Ltd (Mauritius). IPS Cable Holding Ltd is owned by Industrial Promotion Services (Kenya) Limited (“IPS Kenya”) and Jubilee Holdings Limited (“Jubilee”). It has been submitted that IPS Kenya is an investment company set up to provide venture capital, technical assistance and management support to encourage and expand private enterprise in the developing world, particularly countries in Sub-Saharan Africa and Central Asia. Through its equity investment and partnerships in both the public and private sectors, IPS Kenya promotes new industrial and infrastructure projects that are financially viable and fit within the overall economic planning framework of each country in which IPS Kenya operates. IPS Kenya has investments in the following sectors: agro and food processing; pharmaceuticals; power; telecommunication infrastructure; leather; printing and packaging; and textiles. It has been submitted that Jubilee is an investment holding company with a primary listing on the Nairobi Securities Exchange and cross-listings on the Uganda Securities Exchange and Dar es Salaam Stock Exchange. Jubilee, through its subsidiaries, provides a wide range of property, liability, health and life insurance, and retirement products, and related

services to customers in Kenya, Uganda, Burundi and Mauritius. It also owns investment companies in Kenya, Uganda, and Burundi. The parties have submitted that within COMESA, IPS operates in the following Member States: Burundi, Kenya, Mauritius and Uganda.

SEACOM

The parties have submitted that the target undertaking, SEACOM, is incorporated in Mauritius and is wholly owned by Seacom Caymans, L.P., (“Seacom Caymans”). It has been submitted that following an internal restructuring of a shareholder of the SEACOM Group companies involving the transfer of 25% voting rights and 10% economic rights in SEACOM Capital Ltd (Mauritius) to the target, the target will through SEACOM Capital Mauritius own the SEACOM group companies. SEACOM is a telecommunication service provider which launched Africa’s first broadband submarine cable system along the continent’s Eastern and Southern coasts. Through its ownership of extensive ICT data information in Africa, including multiple sub-sea cables and a resilient continent-wide IP-MPLS network, SEACOM provides a full suite of flexibility, scalable and high quality communications and cloud solutions that enable the growth of the continent’s economy. SEACOM has operations in the following COMESA Member States, Kenya, Mauritius and Uganda.

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 **31st July 2020**.

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.