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Common Market for Eastern  
and Southern Africa

## CCC Merger Inquiry Notice No. 22 of 2020

### **Notice of Inquiry into the Proposed Transaction involving Ford Motor Company and Mahindra and Mahindra Limited**

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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 transaction involving Ford Motor Company (“**FMC**”) and Mahindra and Mahindra Limited (“**M&M**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the notified transaction involves the establishment of a joint venture between FMC and M&M and the transfer of the automotive business (the “**Target Business**”) of Ford India Private Limited (“**FIPL**”), currently a subsidiary of FMC, to the newly-formed joint venture entity, Mahindra Ford Automotive Private Limited (the “**JV**”). The Target Business refers to the business as operated by FIPL in India of designing, engineering, testing, manufacturing, marketing, selling, distributing and exporting passenger vehicles as well as replacement and service parts and components and assemblies for such vehicles, except for assets, employees and business related to the Sanand Powertrain Plant, which pertains to the engines and transmissions facility located at the Sanand, Gujarat plant of Ford India. It was submitted that M&M will hold 51% of the shares in the JV with FMC holding the remaining 49%.

The parties have submitted that FMC is a global company based in Dearborn, Michigan. It is the parent company of the Ford Group of companies, which designs, manufactures, markets, and services a full line of Ford trucks, utility vehicles, electrified vehicles, and Lincoln luxury vehicles as well as service parts, and accessories, worldwide. In the Common Market, the products of FMC are present in the following Member States: Democratic Republic of Congo, Egypt, Eswatini, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Seychelles, Tunisia, Uganda, Zambia and Zimbabwe.

The parties have submitted that M&M is the parent company of the Mahindra Group which is an Indian federation of companies with diversified interests across various sectors including automotive, farm equipment, agricultural products and services, smaller range power generation equipment, financial services, information technology, logistics, alternative energy, aerospace, steel processing, trading, insurance broking, real estate and infrastructure, and

hospitality. M&M is a mobility products and farm solutions provider offering a wide range of products and solutions ranging from utility vehicles to electric vehicles, pickups, commercial vehicles, tractors, two-wheelers and construction equipment. M&M's products are present in the following COMESA Member States: Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Somalia, Sudan, Tunisia, and Uganda.

The parties have submitted that the Proposed Transaction is intended to create significant synergies and provide the Parties with the opportunity to reduce costs, increase efficiencies and develop new innovative products in a highly competitive environment.

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 proposed transaction 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 **27<sup>th</sup> August 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 **Ms. Sandya Booluck, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or [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.