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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/4/11/2020

**Decision¹ of the Seventy-Second (72nd) Committee Responsible for
Initial Determination Regarding the Merger between CEVA Logistics
AG and AMI Worldwide Limited**

ECONOMIC SECTOR: Freight Forwarding and Logistics

4th September 2020

¹ 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 7th May 2020, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of the merger between CEVA Logistics AG (“**CEVA**”) and AMI Worldwide Limited (“**AMI**”).
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

CEVA (the Acquirer)

4. It was submitted that CEVA is a global freight forwarding and logistics company based in Switzerland and a wholly-owned subsidiary of CMA CGM S.A. (“**CMA CGM**”), a company incorporated in terms of the laws of France. CEVA has operations in the following COMESA Member States: Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

AMI (the Target Undertaking)

5. It was submitted that AMI, is a company incorporated in Mauritius. AMI is a third party logistics solution provider which focuses on the Eastern and Southern Africa and is active in freight forwarding (covering sea, air, land and rail), customs clearance and related import and export services, and other value added services such as warehousing and distribution. AMI has operations in the following COMESA Member States: Burundi, Democratic Republic of Congo, Kenya, Malawi, Mauritius, Rwanda, Uganda, Zambia and Zimbabwe.

Nature of the Transaction

6. The parties submitted that the proposed transaction concerns the acquisition by CEVA of 70% of the entire issued share capital in AMI.

Competition Analysis

7. The CID defined the relevant product market as the provision of freight forwarding and logistics; and contract logistics services (including warehousing). Further, the CID defined the relevant geographic market to be COMESA-wide.
8. The CID observed that the proposed transaction will not result in a significant increase in market shares due to a minimal change in the market shares of the merged entity with a

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market share accretion of less than 1% in the provision of freight forwarding and logistics; and contract logistics services (including warehousing) services. The CID also observed that the relevant market is characterised by low barriers to entry which allows new entrants to establish their business without owning warehousing and transport assets. The relevant market is further characterised by presence of countervailing buyer power from large customers.

Determination

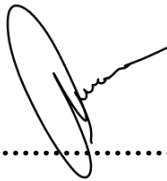
9. The CID determined that the merger is not likely to substantially lessen or prevent competition in the Common Market or any substantial part of it. The CID further determined that the transaction is unlikely to negatively affect trade between Member States. The CID therefore approved the transaction.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

Dated this 4th of September, 2020



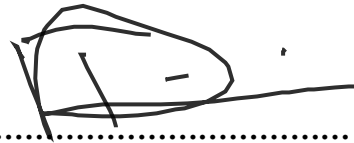
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Commissioner Brian M. Lingela (Chairperson)



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Commissioner Islam Tagelsir Ahmed Alhasan



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Commissioner Thembelihle P. Dube née Dlamini