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**Common Market for Eastern  
and Southern Africa**

**Case File No. CCC/MER/6/16/2020**

**Decision<sup>1</sup> of the Seventy-Second (72<sup>nd</sup>) Committee Responsible for  
Initial Determination Regarding the Joint Venture Involving Ford  
Motor Company and Mahindra and Mahindra Limited**

**ECONOMIC SECTOR: Automotive**

**4<sup>th</sup> September 2020**

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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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 17<sup>th</sup> August 2020, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of the joint venture involving Ford Motor Company (“**FMC**”) and Mahindra and Mahindra Limited (“**M&M**”).
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**

### ***M&M***

4. It was 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, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Somalia, Sudan, Tunisia, Uganda, and Zambia.

### ***FMC***

5. It was 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.

## **Nature of the Transaction**

6. It was submitted that the notified transaction involves the establishment of a joint venture between FMC and M&M and the transfer of the automotive business of Ford India Private Limited (“**FIPL**”), a subsidiary of FMC, to the newly-formed joint venture entity, Mahindra

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Ford Automotive Private Limited (the “JV”). The automotive business of FIPL 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.

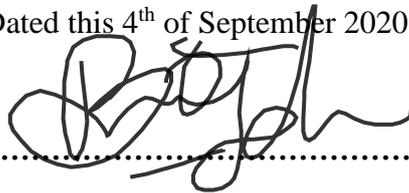
### **Competition Analysis**

7. The CID defined the relevant product market as the wholesale distribution of new passenger cars. The CID further defined the relevant geographic market as global.
8. The CID considered that the transaction would not result in market share accretion, hence there will be no increase in market concentration. The CID observed that FMC and M&M would continue to operate independently in the Common Market and the relevant market was characterised by the presence of numerous other distributors of new passenger cars.

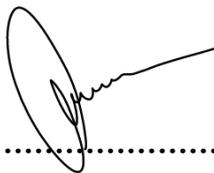
### **Determination**

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.

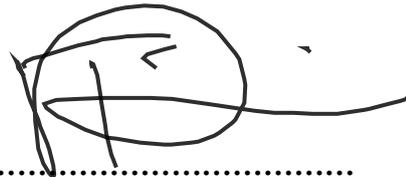
Dated this 4<sup>th</sup> of September 2020



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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**