Case File No. CCC/MER/08/21/2020

Decision\(^1\) of the Seventy-Third (73\(^{rd}\)) Committee Responsible for Initial Determination Regarding the Proposed Merger involving Grainveta Limited and Al Dahra Group Sole Proprietorship LLC

ECONOMIC SECTOR: Agriculture

12\(^{th}\) November 2020

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\(^1\) 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.
**Information and Relevant Background**

1. On 30th September 2020, the COMESA Competition Commission (hereinafter referred to as the “Commission”) received a notification for approval of a merger involving Grainveta Limited (the Acquirer) and Al Dahra Group Sole Proprietorship LLC (the Target).

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**

**Grainveta Limited**

4. The parties submitted that Grainveta Limited has been established for the purposes of implementation of the Transaction. Grainveta Limited is wholly owned by Abu Dhabi Developmental Holding Company PJSC. The Acquirer Group produces and/or sells the following products: steel and aluminium products, cables, tomato paste, palm dates, fruit concentrate, frozen vegetables, and chili paste in the following Member States: Egypt, Ethiopia, Kenya, Libya, Malawi, Mauritius, Seychelles, Sudan, and Tunisia.

**Al Dahra Group Sole Proprietorship LLC**

5. The parties submitted that the Target specialises in the cultivation, production and trading of animal feed and essential human food commodities such as rice, flour, fruits and vegetables. In the Common Market, the Target Group is active in Egypt, Tunisia, and Mauritius.

**Nature of the Transaction**

6. Grainveta Limited entered into a share purchase agreement with Baynunah Agriculture LLC pursuant to which it shall acquire 50% of the total issued share capital of Al Dahra Group Sole Proprietorship LLC.

**Competition Analysis**

7. The CID defined the relevant markets as follows:
   a. Market for procurement of citrus fruits in the Common Market; and
   b. Market for production and sale of strawberry and guava concentrates in the Common Market.

8. The CID observed that the transaction would not result in market share accretion as the parties operations pre-merger did not overlap, hence there will be no increase in market concentration.
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 12th of November 2020

Commissioner Brian M. Lingela (Chairperson)

Commissioner Michael Teklu Beyene   Commissioner Islam Tagelsir Ahmed Alhasan