



COMESA Competition Commission

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Common Market for Eastern
and Southern Africa

17th March 2022

CCC Merger Inquiry Notice No. 13 of 2022

Notice of Inquiry into the Joint Venture involving SAS Shipping Agencies Services Sàrl, Kenya Ports Authority and Kenya National Shipping Lines Limited

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 a proposed Joint Venture involving SAS Shipping Agencies Services Sàrl (“**SAS**”), Kenya Ports Authority (“**KPA**”) and Kenya National Shipping Lines Limited (“**KNSL**”) and intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the Joint Venture concerns the acquisition by SAS, a wholly owned subsidiary of MSC Mediterranean Shipping Company SA (“**MSC**”), of certain shareholders’ consent rights in KNSL, currently controlled by KPA which will have the effect of giving joint control of KNSL to MSC and KPA.

The MSC group provides worldwide container transport and ancillary services that combine maritime shipping with rail, river and road freight, as well as terminal services. MSC also provides a limited range of freight forwarding services and marine support services and is also involved in the cruise industry, and in other maritime activities. In the Common Market, MSC provides container liner shipping services, sea freight forwarding services and in-land transportation services but does not manage or own a container terminal. It is active in the following Member States: Djibouti, Egypt, Eswatini, Kenya, Libya, Madagascar, Malawi, Mauritius, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

KPA is a Kenyan State-owned organisation responsible for the operation and management of all the port terminals in Kenya. KPA currently operates Mombasa Container Terminal 2. KNSL is a subsidiary of KPA and currently offers in-land transportation services and freight forwarding services, which activities are negligible at the moment. In the Common Market, KPA and KNSL are active in Kenya, Rwanda and Uganda.

KNSL will, as part of the Joint Venture, become the new operator of Mombasa Container Terminal 2 at the port of Mombasa in Kenya and commence offering freight forwarding services and container liner shipping services. KPA will continue to operate Mombasa Container Terminal 1, Conventional Cargo Terminal, Shimanzi Oil Terminal and Kipevu

Oil Terminal, which are all based in Mombasa, as well as the terminals in Lamu, Malindi, Kilifi, Mtwapa, Kiunga, Shimoni, Funzi and Vanga.

The parties have submitted that the proposed Joint Venture, combined with the on-going expansion projects of Mombasa Container Terminal 2, will help position the port of Mombasa as a strong transshipment hub for liner shipping services in South-East Africa. The parties have further submitted that the proposed Joint Venture aims to contribute to the international growth and expansion of the port of Mombasa and is expected to result in additional investments, growth and employment opportunities in Kenya and in the wider South-East Africa region.

The Commission will, in accordance with the provisions of Article 26 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.

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: akamanga@comesa.int. All written representations should be sent to the Commission not later than **23rd March 2022**.

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 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.