



COMESA Competition Commission

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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/7/31/2022

**Decision¹ of the Eighty-Eighth (88th) Committee Responsible
for Initial Determinations Regarding the Proposed Acquisition
of Joint Control by Sagard SAS and Bpifrance Investissement
of ADIT Group**

ECONOMIC SECTOR: Management Consulting and Business
Security Services

18 November 2022

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

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The Committee Responsible for Initial Determinations,

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the “**COMESA Treaty**”);

Having regard to the COMESA Competition Regulations of 2004 (the “**Regulations**”), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the “**Rules**”);

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State,

Desirability of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration,

Having regard to the COMESA Merger Assessment Guidelines of 2014,

Determines as follows:

Introduction and Relevant Background

1. On 31 August 2022, the COMESA Competition Commission (the “**Commission**”) received a merger notification regarding the proposed acquisition of joint control by funds managed by Sagard SAS (“**Sagard**”) and a fund managed by Bpifrance Investissement (“**Bpifrance Investissement**”) (together, the “**acquiring undertakings**”) of ADIT Group as the target undertaking, pursuant to Article 24(1) of the COMESA Competition Regulations of 2004 (the “**Regulations**”).
2. 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. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

 2

The Parties

Sagard (the acquiring undertaking)

4. Sagard is a French portfolio management company authorised by the French Financial Markets Authority. It is ultimately controlled by Power Corporation of Canada (Canada) ("**PCC**"), a management and holding company that focuses on financial services in North America, Europe and Asia. Sagard will implement the transaction through its managed funds.
5. Sagard is active in the field of private equity and specialises in leveraged private equity and growth capital transactions, mainly in France. Its managed funds invest mainly in medium-sized French companies operating in a wide variety of economic sectors. Its core holdings are insurance, retirement, wealth management and investment management, including a portfolio of alternative investment platforms.
6. The parties further submitted that Sagard through, the Sagard Funds, has interests in a variety of sectors, including paperboard manufacturing, medical nutrition, prescription engineering, and medical sterilisation packaging.
7. The parties submitted that Sagard derived turnover in the Common Market through the following controlled portfolio entities.

Table 1: Sagard's controlled entities and their activities in the Common Market

Member State	Name of subsidiary	Nature of activities	Local subsidiary
Egypt, Madagascar, and Tunisia	EOS Corrugated Group	Production of technical consumables for the corrugated industry – paperboard manufacturing	No
Egypt, Mauritius and Tunisia	Sterimed	Medical sterilization packaging for hospitals and medical devices	No
Tunisia	Nutrisens	Agri-food specializing in nutrition and health – medical nutrition	No
Tunisia	Ginger	Prescription engineering in the fields of sustainable cities, infrastructures and eco-responsible industries	Yes (Hydrosol fondations)

8. The parties also submitted that PCC, a controller of Sagard, has controlling interests in companies which achieved turnover in COMESA, through entities which are controlled by Groupe Bruxelles Lambert ("**GBL**"). GBL, a Belgian portfolio company listed on Euronext Bruxelles, is a leading investor in Europe, focusing on long-term value creation and relying on a stable and supportive family shareholder base. GBL aim at maintaining a diversified portfolio of high-quality listed and private assets, as long as alternative investments in world-class, industry-leading companies where it can contribute to value creation as an active professional investor. GBL's controlled entity namely, Imerys is active in the production and processing of industrial minerals while Webhelp provides IT service in the Common Market. Further, PCC has operations in Democratic Republic of Congo (the "DRC"), Egypt, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Tunisia, Uganda, Zambia, and Zimbabwe but has no local presence in these countries.

Bpifrance Investissement (the acquiring undertaking)

9. Bpifrance Investissement, a société par actions simplifiée (simplified joint stock company), is a French management company approved by the French Financial Markets Authority under number GP-01006, managing, in particular, the specialised professional fund which invested in ADIT Group, namely Bpifrance Capital I.
10. Bpifrance Investissement is wholly owned by Bpifrance Participations, which is wholly owned (less one share) by Bpifrance. Bpifrance is ultimately jointly controlled by the French State and Caisse des Dépôts et des Consignations ("**CDC**"), which is also established in France. CDC is a public institution with special legal status which manages private funds to which the public authorities wish to provide special protection.
11. Bpifrance Investissement is a management company which manages, in particular, investment funds concerning strategic projects for the French industry.
12. The main activities of Bpifrance Group include the following:
- i. short-, medium- and long-term financing in partnership with banks.
 - ii. the guarantee of financial aid.
 - iii. financing of innovation.
 - iv. equity investment.
 - v. financing of companies' export needs; and
 - vi. managing public export guarantees on behalf of the French State.
13. The parties submitted that Bpifrance Investissement derived turnover in the Common Market through the following controlled portfolio entities:




Table 2: Bpifrance Investissement controlled entities in the Common Market

Member State	Name of Subsidiary	Nature of Activities
Egypt, Kenya, Libya, Madagascar and Mauritius	ADIT	The management consultancy services
Mauritius and Tunisia	STM	Semiconductor manufacturing sector
Tunisia	Mecachrome	Design, engineering, machining and assembly of high precision parts for the aerospace, automotive, motorsports, defence and energy industries

14. The parties also submitted that CDC operates in the following Member States: DRC, Egypt, Kenya, Libya, Madagascar, Mauritius and Tunisia.

ADIT Group (the target undertaking)

15. ADIT Group is a French company which is active in the market of management consulting to companies in the fields of strategic intelligence, business ethics, business diplomacy, territorial and international deployment and business security².
16. ADIT Group's consultancy missions are organised around five areas as follows:
- i. Business intelligence: supporting companies in risk management and business decision-making in a complex and competitive international context;
 - ii. Business ethics: consultancy services to companies in the area of compliance in response to national and international legislative and regulatory requirements;
 - iii. Territorial deployment: implementation of services on behalf of local authorities to support companies on strategic intelligence issues or to set up and evaluate sectors and projects;
 - iv. Business diplomacy: influencing and mediating on behalf of companies in their international development and in their relations with stakeholders (governments, partners, etc.); and
 - v. International deployment: support to the operational deployment of companies abroad to facilitate their establishment and secure their operations in dynamic but complex countries.
17. ADIT Group also has a "Business Security" division which provides security services through Geos, a company owned by ADIT³. More specifically, these activities concern the support and development of the activities of French groups in sensitive

² <https://www.adit.fr>, accessed on 4th October 2022.

³For the sake of completeness, Geos is also marginally active in management consultancy services for companies. Nevertheless, all of its turnover is allocated to the security services activities of ADIT Group.

areas, the securing of goods and people as well as the recruitment and provision of employees with technical/specific profiles.

18. The parties submitted that ADIT Group also provides aeronautical maintenance, repair and overhaul ("MRO") services. With the Common Market, ADIT Group derived turnover through the following controlled portfolio entities.

Table 3: ADIT Group controlled entities and their activities in the Common Market

Member State	Name of Subsidiary	Nature of Activities
Kenya, Madagascar, and Mauritius	ADIT	Management consultancy services
Madagascar	ESL & Network holding	Management consultancy services
Libya	GEOS	Security services
Egypt	Eurotradia	aeronautical maintenance, repair and overhaul ("MRO") services

Jurisdiction of the Commission

19. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") provides that:

Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or the target firm, operate in two or more Member States, shall be notifiable if:

- a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*
- b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million,*

unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State.

20. The undertakings concerned have operations in two or more Member States. The parties' combined annual turnover in the Common Market exceeds the threshold of USD 50 million and at least two of the parties each hold assets of more than USD 10 million in the Common Market. In addition, the merging parties do not hold more than two-thirds of their respective COMESA-wide asset value within one and the same Member State. The notified transaction is, therefore, notifiable to the Commission within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

21. The proposed transaction entails the acquisition by funds managed by Sagard and funds managed by Bpifrance Investissement of joint control of ADIT Group.

Competition Assessment

Relevant Product Markets

22. The CID noted that the acquiring undertakings, Sagard and Bpifrance Investissement are active in the following sectors:
- (i) Sagard, investment fund management operating in insurance, retirement, wealth management and investment management, including in paperboard manufacturing, medical nutrition, prescription engineering, medical sterilisation packaging, industrial minerals, and IT services; and
 - (ii) Bpifrance Investissement, investment capital fund active in short-, medium- and long-term financing in partnership with banks; the guarantee of financial aid; financing of innovation; equity investment; financing of companies' export needs; and managing public export guarantees. Bpifrance Investissement is also active in management consultancy services through its interest in the target undertaking; semiconductor manufacturing sector; design, engineering, machining and assembly of high precision parts.
23. The CID further noted that the target, ADIT Group, is active in the provision of management consultancy services; security services; and aeronautical maintenance, repair and overhaul services.
24. The CID observed that pre-merger, Bpifrance Investissement has interests in the target and that post-merger Bpifrance Investissement and Sagard Funds will assume joint of ADIT Group. Therefore, any likely competition concerns may emanate from any horizontal, vertical or other relation that will be created between the activities of the target (ADIT Group) and Sagard Funds given that Sagard Funds is the only entity that did not have control over the target, pre-merger.
25. The CID noted that the structure of the relevant market is unlikely to change post-merger given that the proposed transaction entails a change in the shareholding of the ADIT Group which will result in joint control. The proposed transaction does not entail the removal of a competitor from the market. However, such a transaction may raise foreclosure concerns depending on the vertical or conglomerate relation between activities of the new shareholder, Sagard Funds and the ADIT Group
26. To define its relevant product market, the CID considered on the target undertaking's activities, namely the provision of management consultancy services; security services; and aeronautical maintenance, repair and overhaul services.

Management consultancy services

27. Management consultancy services are services provided to a wide range of corporate and public-sector customers. It covers a wide range of services and can be defined

as independent advice and support on management issues.⁴ Management consultancy may include the sales of management consulting services and related goods by entities that provide a range of services such as advice and assistance on organizational planning, financial budgeting, marketing strategies, human resource practices, administration policies and production and logistics scheduling.⁵ It is an advisory/implementation service to management members of organisations aimed at improving the effectiveness of clients' business strategy, organisational performance and operational processes.

28. The CID considered that, within the management consultancy services', narrower markets can be construed depending on the nature of the service. For instance, operations, human resource, strategy, financial, and technology related consultancy services can be seen as distinct⁶. Operations consultants are hired by clients to support improving the efficiency of the clients' value chain. These services include developing and implementing target operating/service delivery models, executing cost reduction programmes and optimising business processes. On the other hand, human resource ("HR") consulting relates to advisory and implementation activities related to the management of an organisation's human capital and the HR function. The scope of services ranges from overarching work on human capital strategy compensation and benefits, organisational change, HR function, talent management, HR analytics, learning & development to HR technology. The other form of management consultancy service, strategic consultancy, relate to strategic decision making which includes development of strategy and, to an extent, also the execution of strategic corporate plans, business model transformation, economic policy, mergers and acquisitions, among others. Lastly, technology consultancy services range from developing new IT strategy to cybersecurity approaches.
29. Given the above description of the various forms of management consultancy services, the CID considered that demand substitution amongst the sub-segments is likely to be limited given that clients will demand each of the various service for a different purpose.
30. However, the CID observed that from a supply perspective the business model for most providers of management consultancy services is to provide a suite of services such that clients are able to access various services from one company. For instance, major players such as KPMG, Deloitte, and McKinsey & Company tend to either provide a suite of services from which their corporate clients can choose, or they may have the capabilities to timely shift and provide those services which they may not be offering. Thus, supply side substitution is likely. The CID noted that, in **Deloitte &**

⁴ <https://feaco.org/industry>, accessed on 13 October 2022.

⁵ <https://www.thebusinessresearchcompany.com/report/management-consulting-market>, accessed on 11 October 2022.

⁶ <https://www.consultancy.org/consulting-industry/hr-consulting>, accessed on 13 October 2022.

Touche/Andersen UK⁷, the European Commission ("EC") similarly considered the broader market for management consultancy service as a distinct product market. Therefore, the CID considered that on the strength of the supply side dynamics, the relevant product market can be broadened to the provision of management consultancy services. In any case, the transaction is not likely to change the structure of the relevant market hence any narrower market is not likely to alter the competitive assessment of the transaction.

31. In view of the foregoing, the CID concluded **the relevant product market as the broad market for the provision of management consultancy services.**

Provision of security services

32. The CID noted that ADIT Group provides a complete range of safety and security solutions in Libya which entail security and safety risks consulting, international mobility, field solutions, technical assistance, training, and services, the securing of goods and people in sensitive areas.
33. Security solutions may include manned guarding, alarm monitoring and response services, and electronic security systems installation which can be considered as distinct. In **Telefónica/Prosegur/Prosegur Alarmas España**⁸, the EC confirmed that the market for security systems can be segmented between manned guarding services; alarm installation and maintenance (i.e., electronic guarding equipment); and alarm monitoring and response service.
34. Manned guarding services primarily relate to the guarding and securing of people, assets and property. This is conducted by trained guards who typically patrol a certain defined areas or stand guard at an entrance or other defined areas. Such services are provided to several different sectors to protect people and property (e.g., critical infrastructure, commercial, institutional, and residential) and have increasingly been used to support law enforcement and emergency personnel as well as to protect military bases throughout the world.⁹ Manned guard is provided on-site and may be preferred by clients since it has the advantage of deterrent effect from the physical presence of guards.
35. On the other hand, alarm monitoring and response services comprises monitoring of alarm and intruder detection systems at a monitoring centre. It is commonly used in retail, residential, and manufacturing markets, involve the use of sensors to detect intrusion and transmit a signal at the premises or a remote location¹⁰. In such instance, when an alarm is triggered, a signal is sent to the monitoring centre, where the verifying section will verify whether the alarm is false or not. Thereafter,

⁷ See para 27 of Case No COMP/M.2810 - DELOITTE & TOUCHE / ANDERSEN UK.

⁸ See para 21, Case M.9559 – Telefónica/Prosegur/Prosegur Alarmas España.

⁹ See para 38 available at <https://www.ojp.gov/pdffiles1/bjs/grants/232781.pdf>, accessed on 28 October 2022.

¹⁰ See para 39 available at <https://www.ojp.gov/pdffiles1/bjs/grants/232781.pdf>, accessed on 28 October 2022.

information is sent to armed response officer for any appropriate action and response is provided from a distance via monitoring centres and human intervention is made ex-post.

36. Under electronic security system installation services, various security devices and products are installed at a client's property to enhance the ability to secure assets or property. Such devices may include CCTV cameras, electric fencing, security gates, beams, intercoms and keypads access systems.¹¹ The level of sophistication of the security devices varies according to clients' preferences, risk levels and ability to pay.
37. In **Allied Universal/G4S**¹², the CID considered that security services entail the provision of a range of security solutions which include manned guarding, electronic services and cash services. However, the CID did not further segment the market on the basis that competition concerns were not likely to arise. Similarly, in **Group 4 Falck/Securicor**,¹³ the EC considered that the provision of security services can be segmented as:
- (i) The provision of manned guarding comprising provision of uniformed on-site guards and retail guards (i.e., static manned guarding); mobile manned guarding services; key-holding services; contract project security, events security and crowd management; and associated security consultancy services;
 - (ii) The provision of cash services comprising the provision of cash-in-transit; cash management and the transportation of high value items;
 - (iii) The provision of electronic services or electronic guarding equipment
38. The EC¹⁴, further noted that customers primarily use manned guarding services to deter and prevent immediate security risks due to the physical on-site presence of the guards while electronic guarding equipment only allows the detection of security risks but may not allow for the immediate re-action to address such risks. It was further argued that manned guarding services were suited for specific services requiring the presence of security personnel such as access control or reception services while this would not be possible under electronic services. Thus, a conclusion was drawn that manned guard and electronic services were separate activities since substitution is not likely from a customer perspective.
39. In light of the above, the CID considered that separate product markets can be identified within security services such as the provision of manned security guarding services; electronic equipment security services; and cash services. However, the

¹¹ <http://www.stafix.co.za/>, accessed on 28 October 2022.

¹² Case File No. CCC/MER/01/01/2021 - Allied Universal Topco LLC and G4S Plc.

¹³ EU Decision in case M.3396 – Group 4 Falck/Securicor

¹⁴ Ibid.

CID resolved that a further delineation was not necessary given that the competitive assessment of the market is not likely to be altered under narrower markets.

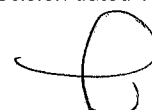
40. In view of the above, the CID determined **the relevant product market at the broad market for the provision of private security services.**

Aeronautical maintenance, repair and overhaul ("MRO") services

41. Aeronautical maintenance, repair and overhaul of an aircraft refers to the specific repair service or inspection of an aircraft which encompasses that of all maintenance activities done to ensure the safety and airworthiness of an air transport vehicle.
42. In ***Boeing/Safran/JV Auxiliary Power Units***¹⁵, the EC has identified four main categories of aviation MRO services based on the part of the aircraft to be serviced (or what part is to be replaced) and the level of service required: line maintenance services, heavy maintenance services, engine maintenance services and component maintenance services.
43. In this transaction, the EC argued that line maintenance service refers to the aircraft maintenance checks that are carried out to ensure that the aircraft is fit for flight but that do not remove the aircraft from service. It was highlighted that line maintenance is generally performed at the different airports on the airline's route and consists of transit checks, pre-departure checks, night stops and the rectification of certain technical problems. Line maintenance usually consists of transit checks, pre-departure checks, night stops and the rectification of certain technical problems.¹⁶ A and B checks may sometimes be carried out at line maintenance stations. On the other hand, heavy maintenance service refers to regularly scheduled detailed inspection, maintenance, preventive maintenance and alteration of the entire aircraft and its installed components that will place the aircraft out of service for a pre-determined period of time. Heavy maintenance, on the other hand, comprises the significantly more intense C and D checks
44. The CID further noted that engine maintenance service is carried out either while mounted on the aircraft wing (on-wing services) or at an approved maintenance facility (off-wing). As it is indicated by the name, engine maintenance services entail the provision of MRO services for aircraft engines. To the contrary, component maintenance services comprise inspection, test and alteration of specific equipment and components installed on an aircraft, which can be repaired and are of a significant value (e.g., avionics, pumps, actuators, valves, safety equipment, wheels/tyres & brakes, etc.).

¹⁵ See para 21 of Case M.8858 - BOEING / SAFRAN / JV (AUXILIARY POWER UNITS), decision dated on 27/09/2018.

¹⁶ See footnote 19 of Case No COMP/M.6554 - EADS/ STA/ ELBE FLUGZEUGWERKE JV, decision dated 13/09/2012.



45. However, the CID considered that it was not necessary to further delineate the relevant market as the competitive assessment was not likely to change under narrower markets.
46. In this regard, the CID determined that relevant market as **the broader market for aeronautical maintenance, repair and overhaul services.**
47. On the basis of the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the relevant product markets were construed as follows:
- a) **Provision of management consultancy service.**
 - b) **Provision of security services; and**
 - c) **Provision of aeronautical maintenance, repair and overhaul services.**

Relevant Geographic Market

48. With regards to the provision of management consultancy services, the CID noted that these services are provided by both multinational and national consulting companies with professional qualified personnel. Such personnel may be called to provide consultancy services across different countries, as far as they possess the professional expertise in the specific required sector. The CID further noted that there is an increase in the number of companies with multinational operations requiring professional consultancy services in several countries from a single provider. This is evidenced by the parties' submission that ADIT Group's competitors are multinational consulting companies active globally such as Accenture, the Boston Consulting Group, Capgemini Invest, EY – Ernst & Young, McKinsey & Company, PwC Consulting, etc. In this context the CID considered that the geographic scope of management consultancy services market is likely to be global.
49. With respect to security services, the CID noted that the provision of security services are subjected to national regulations where providers are required to be registered under relevant legislation in order to operate in a given country. For instance, security providers need to fulfil their licence requirements primarily related with the existing specific national security regulations and standards. Therefore, the geographic scope is likely to be limited to national. In **Allied/G4S**¹⁷, the CID similarly concluded that the scope for private security services was national as it is the most sensitive area in most countries and tends to be closely monitored by government security agencies. The CID further argued that the sensitive nature of the security services leads to different countries having different requirements for suppliers to offer security services.

¹⁷ Case File No. CCC/MER/01/01/2021 - Allied Universal Topco LLC and G4S Plc.



50. Further, it was reported that “...clients are likely to demand security service suppliers located in their vicinity as this would ensure the needed rapid and timely response to any security risks they may be faced with. From a demand perspective and given an increase in the price of security services by a local registered provider against suppliers located outside a client’s country of residence, clients are not likely to switch to providers outside of their country. It is considered that cross-border demand substitution may not be practical given the nature of the security services. For instance, a client accessing cash services such as transporting cash or high valuable items, is unlikely to opt for a supplier located outside their country of residence since doing so may not be practical and such a supplier may not be able to offer such a service in a timely manner...”.
51. Likewise, in **Telefonica/Prosegur/Prosegur**¹⁸, the EC concluded that the market for security systems, under any plausible segmentation, is national in scope due to the existence of specific national regulations and standards, language differences and national preferences derived from the reputation of each of the players at the national level.
52. Therefore, the CID considered that the geographic market for the private security services is likely to be national and pertained to Libya, the only Member State where the target operates.
53. With respect to the provision of aeronautical maintenance, repair and overhaul services, the CID considered that it is likely that airline and aircraft operators may use a single service provider either the Original Equipment Manufacturers or independent aftermarket service providers to supply all maintenance services for their aircraft, which may include independents, airline-owned MRO providers and airframe manufacturers. The CID noted that the larger global Original Aircraft/Equipment Manufacturers or independent aftermarket MRO service providers aim to offer their customers under one integrated contractual services agreement. This may indicate the global nature of market for the aeronautical maintenance, repair and overhaul services, which was also evidenced by the parties’ submission that ADIT Group’s global competitors such as Airbus, Bombardier, Boeing, Safran, and International MCO specialists (FL Technics, AAR).
54. In **KLM/Alitalia**¹⁹, the EC similarly argued that aeronautical maintenance, repair and overhaul services is worldwide in scope as aircraft are by definition mobile, and the cost of this essential maintenance is high compared to the cost of flying aircraft, users of this service can choose between suppliers in any different locations. The potential market for component aeronautical maintenance, repair and overhaul services is worldwide because, the location of the facility is of secondary importance and component aeronautical maintenance, repair and overhaul services does not need

¹⁸ See para 26 of Case M.9559 - TELEFONICA / PROSEGUR / PROSEGUR ALARMAS ESPAÑA.

¹⁹ See para 57 of Case No COMP/JV.19 - */*** KLM / ALITALIA.



to be performed at airports.²⁰ It was further found that most component aeronautical maintenance, repair and overhaul services providers are active globally and both the service providers and customers considered that the markets for component aeronautical maintenance, repair and overhaul services are worldwide in scope.

55. In view of the foregoing, the CID considered that the relevant market for aeronautical maintenance, repair and overhaul services is likely to be global.
56. For purposes of assessing the proposed transaction, and without prejudice to the its approach in future similar cases, the CID has identified the following relevant markets:
- a) **provision of security services in Libya,**
 - b) **global provision of management consultancy service, and**
 - c) **global provision of aeronautical maintenance, repair and overhaul services.**

Market Shares and Concentration

57. The CID noted that the transaction would not result into a horizontal overlap in the activities of the parties in the Common Market. Therefore, the transaction will not lead to an accretion of market shares and the market structure in the Common Market will not change as such competition concerns are not likely to result on account of horizontal effects.
58. The parties further submitted that the target undertaking derived a very limited turnover in the Common Market with no local presence and its estimated market share in the general market for the provision of management consultancy service; aeronautical maintenance, repair and overhaul services; and security services market should not exceed [5-10]%.
59. The CID noted that the relevant markets are characterised by leading international operators which are active at a global level and which will continue to offer competitive constraint to the parties. For instance, in the market for the management consultancy services, the CID noted that alternative global providers included Accenture, the Boston Consulting Group, Capgemini Invest, DXC, EY – Ernst & Young, McKinsey & Company, PwC Consulting, and Wavestone. Further, competitors such as Airbus, Bombardier, Boeing, Safran, and International MCO specialists (FL Technics, AAR) will offer competitive constraint to the merged entity in the market for the provision of aeronautical maintenance, repair and overhaul services.

²⁰ See para 180 of Case No COMP/M.6410 - UTC/ GOODRICH.



60. The CID also noted that key players in security services such as G4S, GardaWorld, Control Risk, and Alos and Altran are among the competitors of the merged entity who are also active in the Common Market.

61. Having regard to the foregoing, the CID concluded that the proposed transaction was not likely to raise any competition concerns given that the market structure of the relevant market will not change, and the merged entity will continue to face competition from other players on the market.

Consideration of Public Interests

62. The proposed transaction is not likely to negatively affect any of the public interest elements provided for under the Regulations given that the market shares of the parties are relatively small within the Common Market. Competition will not be affected as there will be no removal of a strong competitor, and thus the transaction will not be to the detriment of consumers who will still have access to alternative suppliers

Consideration of Third-Party Views

63. Submissions were received from national competition authorities of Egypt, Kenya, Malawi, Mauritius, and Zimbabwe which submitted that the transaction was not likely to raise competition and public interest concerns post-merger. This is consistent with the CID's assessment, as presented above.

Determination

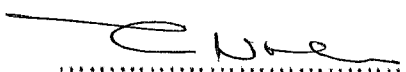
64. Based on the foregoing reasons, the CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.

65. The CID therefore approved this transaction. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 18th day of November 2022



Commissioner Mahmoud Montaz (Chairperson)



Commissioner Lloyds Vincent Nkhoma



Commissioner Islam Tagelsir Ahmed Alhasan