



COMESA Competition Commission
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**Common Market for Eastern
and Southern Africa**

Case File No.: CCC/MER/06/08/2015

**Decision¹ of the Committee of Initial Determination Regarding the
Proposed Merger between Traxys Africa Proprietary Limited and Metmar
Limited**

ECONOMIC SECTOR: PHYSICAL COMMODITY TRADING

27th October 2015

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 28th May 2015, the COMESA Competition Commission hereinafter referred to as (“the Commission”) received a notification for approval of a merger from Edward Nathan Sonnernbergs Inc. on behalf of their clients Traxys Africa Proprietary Limited hereinafter referred to as (“Traxys”) and Metmar Limited hereinafter referred to as (“Metmar”).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations hereinafter referred to as (“the Regulations”). Under this provision the Commission is required to assess whether the proposed 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 pursuant to Article 26 of the Regulations.
3. The Committee of Initial Determination hereinafter referred to as (“the CID”) noted that the parties operate in two or more COMESA Member States. This, therefore, means that the regional dimension requirements under Articles 23(3) and 23(5) of the Regulations are satisfied and asserts jurisdiction of the Commission to assess the transaction.

The Parties

Traxys

4. Traxys is a physical commodity trader and merchant in the metals and natural resources sectors with its headquarters in Luxembourg. Traxys’ focus is primarily on the global marketing and sourcing of base metals and concentrates, minor and alloying metals, industrial minerals and chemicals, and materials for steel mills and foundries, and the management of all parts of the supply chain, from producer to consumer.

Metmar

5. Metmar specialises in the global trade of ferrous and non-ferrous metals and minerals, carbon, plastic, soft commodities and chemical products. To facilitate such trading, Metmar engages in securing trade finance facilities and logistical solutions.

Nature of the Transaction

6. Traxys will, by way of a scheme of arrangement in terms of section 114 of the South African Companies Act, No. 71 of 2008, purchase the entire issued share capital of Metmar. Pursuant to the implementation of the proposed transaction, Traxys will hold 100% of the entire issued share capital of Metmar and will acquire sole control over Metmar.

Competition Analysis

7. The CID defined the relevant product market as the physical trading of zinc. The CID further established that the transaction will not result in an appreciable effect on trade between Member States and hence does not frustrate the single market objective of the Treaty Establishing the Common Market for Eastern and Southern Africa.

Determination

8. The CID determined that the merger is not likely to substantially lessen the degree of competition in the Common Market or any part thereof. The CID further determined that the merger is not likely to result in, or strengthen a position of dominance which is or will be contrary to the public interest.
9. This decision is adopted in accordance with Article 26 of the COMESA Competition Regulations.

Dated this 27th day of October, 2015.

Commissioner Matthews Chikankheni (Chairman)
(Signed)

Commissioner Thabisile Langa (Member)
(Signed)

Commissioner Chilufya Sampa (Member)
(Signed)