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Common Market for Eastern and Southern Africa

Case File No. CCC/MER/04/16/2024

Decision[1] of the 108th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger involving Grindrod Mauritius and RailCo Africa Limited

ECONOMIC SECTOR: Railways

11 July 2024

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

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 8 May 2024, the COMESA Competition Commission (the "**Commission**") received a notification for approval of a merger involving Grindrod Mauritius ("**GMU**" or "**the acquirer**") and RailCo Africa Limited ("**RailCo**"), pursuant to Article 24(1) of 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.

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The Parties

GMU (the acquirer)

4. GMU is a company incorporated under the laws of Mauritius and forms part of the Grindrod Group, which comprises of Grindrod Limited, and all firms controlled (whether directly or indirectly) by Grindrod Limited. The Grindrod Group is primarily active in the provision of freight and logistics services and sells products and renders services through two main segments, namely – (i) port and terminals; and (ii) logistics.

5. In the Common Market, the Grindrod Group had operations in Kenya, Eswatini, Mauritius, Uganda, Zambia and Zimbabwe in the financial year preceding the merger.

6. The parties submitted the information below on the activities of the Grindrod Group:

(i) Ports and Terminals

6.1 The Port and Terminals segment manages investments, which provides the backbone for offering integrated logistics solutions along key trade corridors, in partnership with the logistics division. The terminal facilities are strategically positioned in Maputo, Richards Bay, Durban and Walvis Bay. Supply chain management software enables real-time views of cargo status, stockpile position and performance. Dashboards track the cargo, assisting customers in managing their shipments moving through the ports.

6.2 In relation to the *ports operations*, the Maputo Port Development Company (MPDC) is the main concessionaire for the Port of Maputo.

6.3 In relation to the *terminals operations*, the infrastructure is designed to handle a variety of bulk, breakbulk commodities, vehicles and containers including a car terminal, dry-bulk terminals, multi-purpose terminals and stevedoring.

(ii) Logistics

6.4 The logistics segment provides tailored logistics solutions across the supply chain for the efficient, end-to-end delivery of diversified cargo. Logistics forms the backbone of global and regional trade and is fundamental to the effective running of most other sectors. The segment's logistics solutions connect inland corridors to ports and global markets. Grindrod's long-standing strategic relationships and joint ventures have created an extensive network. The following services are offered within the logistics segment:

6.4.1 *Intermodal and container logistics*: Grindrod offers container services including storage, handling, repairs, transport and cleaning. In addition, Grindrod also offers sales, leasing and conversions of containers. Grindrod's container depots are situated in Cape Town, Durban, Gqeberha and Johannesburg.

6.4.2 Cross-border, project logistics and marine solutions: Grindrod has offices in all the major transit corridors in Southern Africa and can manage projects from start to finish for customers across many industries and offer a feeder service across the Southern African region. In the Common Market, Grindrod has activities in the following Member States: Eswatini, Mauritius, Uganda, Malawi[2] and Zambia.

6.4.3 *Clearing and forwarding*: Grindrod offers freight forwarding, customs brokerage and related logistics solutions across Africa.

6.4.4 *Sea freight logistics*: Grindrod (through its controlling minority interest in Grindrod/Maersk Joint Venture) provides door-to-door sea freight solutions with a feeder service for containerised cargo in the Southern African region.

6.4.5 *Ships agency and maritime technical services*: Grindrod provides ship agency, logistics and marine technical and engineering services to the maritime, offshore and oil and gas sectors. In the Common Market, Grindrod has activities in Kenya and Madagascar[3].

6.4.6 *Rail*: Grindrod's rail business provides end-to-end customer logistics solutions, which include cost-effective rolling stock leasing solutions and rail operations (in particular, coordinating logistics and managing railway operations on behalf of freight customers). In the Common Market, Grindrod has activities in the following Member States: Democratic Republic of Congo ("**DRC**")[4], Malawi, Mauritius, Zambia and Zimbabwe.

6.4.7 RailCo, which was jointly controlled by GMU pre-merger, was the most relevant Grindrod Group operation in the rail business. The Primary Target Business already formed part of the RailCo business (including

[2] The parties have submitted that as part of the Grindrod Group strategy, Malawi was a jurisdiction that Grindrod was keen to establish a presence in and grow and hence Grindrod Logistics Africa (M) Ltd was set up. The firm is still in an early growth phase, only operating costs currently reflect in the Grindrod Group's consolidated accounts. Grindrod Logistics Africa (M) Ltd is yet to provide "Cross-border, project logistics and marine solutions" or "rail" services to any customers in Malawi.

[3] The parties have submitted that in Madagascar, Sturrock Flex Shipping S.a.r.l. is an associate (49%) of the Grindrod Group. Accordingly, this entity is not consolidated by the Grindrod Group but rather equity accounted, and activities in Madagascar are limited to the activities of Sturrock Flex Shipping S.a.r.l. which provides ships agency and maritime technical services.

[4] The parties have submitted that the acquiring group has recently secured access to Société Nationale de Chemin de Fer du Congo rail network in the DRC. As of June 2024, the acquiring group remains in the business development and planning phase in the DRC (i.e., the acquiring group does not have any live operations in the DRC and commissioning of the SNCC rail network is yet to commence).

its subsidiaries GPR Leasing Africa ("**GPR**") and Africa Rolling Stock Solutions Limited ("**ARSS**")). As a result of the repurchase by RailCo of all its issued share capital previously held by GMU, RailCo no longer forms part of the Grindrod Group.

6.4.8 NLPI Limited ("**NLPI**") (a Grindrod Group company incorporated in Mauritius) sub-leases rolling stock (i.e., locomotives) that it leases from RailCo to Beitbridge Bulawayo Railway (Private) Limited ("**BBR**") (a Grindrod Group company) in Zimbabwe. For completeness, it was submitted that NLPI does not lease locomotives/ rolling stock to any other customer in the Common Market.

6.4.9 Further, two locomotives owned by GMU are currently traversing railway lines between Zimbabwe and Zambia. These locomotives are operated by BBR.

6.4.10 *Transportation*: As part of customising a logistics solution for its customers, Grindrod opts for the most cost effective and efficient mode of transport to move cargo to a hub for storage, distribution or export. Grindrod considers rail and road infrastructure, port facilities and border posts, and reputable airlines when it comes to transporting cargo across borders and along trade corridors.[5]

The Primary Target Business

7. The transaction concerns the transfer of certain assets, in the form of specified contracts, specified debtors and specified locomotives, by RailCo to GMU.

Jurisdiction of the Commission

8. 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

[5] https://www.grindrod.com/solutions/transportation

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.

9. The undertakings concerned have operations in two or more Member States. As shown in Table 3 below, the undertakings concerned hold assets of more than the threshold of USD 50 million in the Common Market and they each hold assets of more than USD 10 million in the Common Market. In addition, the parties do not hold more than two-thirds of their respective assets in one and the same Member State. The Commission is thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

10. The transaction concerns the transfer of certain assets (i.e., specified contracts, specified debtors and specified locomotives) from RailCo to GMU. The transaction takes place in the context of a repurchase by RailCo of all its issued share capital previously held by GMU, the consideration for which has been settled by way of the transfer of the Primary Target Business by RailCo to GMU.

11. GMU believes that by exiting RailCo and acquiring sole control over the Primary Target Business, it can unlock further opportunities for collaboration between the Primary Target Business and the broader Grindrod Group, which will be beneficial to the Primary Target Business.

12. The parties submitted that the exit by GMU as a shareholder of RailCo has presented RailCo with an opportunity to buy back the shares held by GMU and it believes that this will be beneficial to the RailCo business.

Competition Assessment

Consideration of the Relevant Markets

Relevant Product Market

13. Paragraph 7 of the Commission's Guidelines on Market Definition states that a *"**relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer/customer, by reason of the products' characteristics, their prices and their intended use**".*

14. The acquiring group is active in the (i) ports and terminals and (ii) logistics sectors. Specially within the logistics sector, the acquiring group's rail business provides end-to-end customer logistics solutions, which included cost-effective rolling stock leasing solutions and rail operations (in particular, coordinating logistics and managing railway operations on behalf of freight customers) and these activities

included the activities of the target business. NLPI Limited (part of the acquiring group) sub-leases rolling stock (i.e., locomotives) that it leased from RailCo to BBR (also part of the acquiring group) in Zimbabwe. The parties have submitted that the acquiring group does not lease rolling stock to any end-users in the Common Market but all rolling stock (including the Primary Target Business) that is leased by the acquiring is for the benefit of its own related companies.

15. The Primary Target Business comprised part of the business of RailCo (including its subsidiaries GPR and ARSS), which operates as a private rolling stock supplier in Africa.

16. For purposes of this transaction, the CID has focussed on the activity of overlap, namely the provision of rolling stock and private rolling stock leasing solutions.

Rolling Stock

17. Rolling stock comes in different types, namely, light rail vehicles, tramways, streetcars, metros, commuter trains, regional trains, high speed trains and locomotives[6].

18. In the railway industry, rolling stock refers to wheeled vehicles that operate on rail tracks. Rolling stock is used as a generic term for trains. The CID has previously considered that rolling stock comprises of all wheeled vehicles that run on railway tracks and includes both powered and unpowered coaches, carriages, passenger cars and freight wagons[7]. Each type of rolling stock may serve one particular purpose and based itself on the intended use of the rolling stock, that is to either transport passengers in the case of passenger carriages or to transport cargo in the case of freight wagons, to distinguish the types of rolling stocks[8]. There is likely to be limited demand substitutability between the latter two types of rolling stock, such that a rolling stock designed for cargo may not be apt to carry passengers as it lacks the required amenities to ensure safe and comfortable passenger mobility[9]. Further, cargo carriers may also be cargo specific. For instance, a rolling designed to transport fuel may not be an alternative for passenger transport[10]. Rolling stock may also be distinguished by the type of coaches that are used such as electronic power steering, hydraulic steering or mechanical steering[11].

[6] https://h2tools.org/fuel-cell-codes-and-standards/iec-63341-1-railway-applications-rolling-stock-fuel-cell-systems accessed 28 May 2024

[7] Decision of the 68th CID regarding the Proposed Merger involving Rail Africa Ltd, Africa Rolling Stocks Solutions Limited and GPR Leasing Africa CCC/MER/08/36/2019, dated 23 December 2019.

[8] *Ibid*

[9] *Ibid*

[10] *Ibid*

[11] *Ibid*

19. The Primary Target Business comprises of 8 GL-30 mainline locomotives single deck train with a maximum speed of 90 km/h[12]. Distinct markets have been identified by other authorities for high-speed rolling stocks[13].

20. Having regard to the foregoing, the CID observes that the broad market for rolling stock can be segmented according to passenger carrier, cargo carrier and speed. This potential segmentation notwithstanding, for purposes of this transaction, the broad market for rolling stocks can be adopted as any alternative market definition will not affect the competitive assessment in view of the limited overlap in the activities of the merging parties in the Common Market.

Provision of Leasing Solutions

21. A railway operator has the option of either owning the rolling stock assets or leasing same. Leases of railway stock allow railway operators to have flexibility in relation to their feet size without having to incur extensive capital investments. Additionally, leases are less cost intensive because the operational and maintenance costs are usually to the charge of the lessor[14]. Leases of rolling stock can be of two types, namely, finance lease or operating lease. Under a finance lease, the lessee has possession of the asset while the ownership lies with the leasing supplier and at the end of the lease period, the ownership of the asset is transferred to the lessee[15].

22. An operating lease, on the other hand, allows the lessee to use the asset for a determined time period but without transferring the ownership to the lessee at the end of the lease. Finance leases are usually for a longer time period than operating leases. From a demand-side, a finance lease is distinct from an operating lease as a customer wishing to obtain ownership of the asset will opt for a finance lease whereas a customer wishing to have possession of the asset for a definite period of time will opt for an operational lease. Due to the intended use of each type of lease, the duration of operational leases is shorter than finance leases.

23. Additionally, an operational lease cannot be converted into a finance lease, given the purpose of the lease. If a customer wishes to opt for a finance lease after having entered into an operational lease, this may not be possible, because one of the key characteristics of operational leases is that such leases cannot contain a 'bargain purchase option'[16]. On the supply side however, both types of leases may be offered by the same entity. In Mauritius for instance, a general license for

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[12] www.railcoafrica.com/wp-content/uploads/2022/10/Railco-Africa-GL30SCC.pdf accessed 28 May 2024

[13] In Case M.5754 – Alstom Holdings/Areva T&D, the European Commission has found that high-speed trains, defined as trains designed to travel long distances at speeds of more than 250 km/h on conventional tracks, constitute a separate product market.

[14] www.linkedin.com/advice/0/what-benefits-drawbacks-leasing-versus-owning-rolling accessed 28 May 2024

[15] www.chg-meridian.co.uk/resource-centre/blog/finance-lease-vs-operating-lease.html accessed 13 June 2024

[16] Carla Tardi, 'Operating Lease: How It Works and Differs from a Finance Lease' www.investopedia.com/terms/o/operatinglease.asp, accessed 13 June 2024.

leasing[17] is required under the relevant laws and the provider then tailors its products according to its market demand. This notwithstanding, the intended use of the lease makes finance and operational leases different, thus limiting its demand side substitutability.

24. The activities of the acquiring group and the Primary Target Business suggest that it provides operational leases for rolling stock, while retaining the ownership of the rolling stock. In view of the above, the CID has identified the relevant product markets as the:

a) **market for rolling stock**; and

b) **market for the supply of operational lease for rolling stock**.

Relevant Geographic Market

25. The Commission's Guidelines on Market Definition define the relevant geographic market as comprising *"...**the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas**"*[18].

26. The parties, relying on the CID' previous decisions[19], have submitted that the geographic market for the provision of rolling stock leasing solutions is the Common Market. The parties have further submitted that given that no competition concerns arise regardless of the market definition ultimately adopted, the precise scope of the relevant product and geographic markets can be left open.

27. The CID has previously considered the capital-intensive nature of the rolling stock, operators of railway tend to opt for leased rolling stock from international operators as opposed to owning and maintaining their own stock[20], and this is used as a strategy to free up cash-flow and balance sheet capacity for their core businesses.

28. The CID noted that suppliers and manufacturers of rolling stock are found in many countries, such as Europe, Canada, United States of America, Brazil, Argentina, India, China, Indonesia, Japan, Pakistan, Russia, Taiwan and Malaysia[21]. On the African Continent, the manufacturers of rolling stock are based in Egypt and South Africa[22]. The parties submitted that Railco's rolling stock and wagons are sourced from South Africa. The CID observed that other countries on the African continent

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[17] www.fscmauritius.org/en/others/codified-list accessed 13 June 2024.
[18] Paragraph 8,
[19] Decision of the 68th CID Regarding a Merger Involving Rail Africa Ltd, Africa Rolling Stocks Solutions Limited and GPR Leasing Africa, dated 23 December 2019.
[20] *Ibid* n. 14.
[21] www.sci.de/shop/search/product/?productid=dba12284-3b3c-4bb9-bc6c-06bd47dbebdf&L=1, accessed on 18 June 2024.
[22] *Ibid.*

have sourced rolling stock from countries as far as India and China. For instance, CRRC Corporation Limited, a Chinese state-owned company, has been providing rolling stock to Kenya since 2015, including for the Nairobi to Mombasa Standard Gauge Railway[23], and to Ethiopia from 2016 for the Addis Ababa – Djibouti City Railway[24]. Mauritius obtained its rolling stock from Larsen & Toubro Limited (L&T), a company incorporated in India[25], while Mozambique obtained its rolling stock from the Indian firm RITES Ltd[26]. The CID therefore noted that suppliers of rolling stock in the Common Market include global players.

29. The CID also noted the parties' submissions that from their experience, suppliers tend to establish maintenance facilities in different regions (near their assets/ customers) across the Continent (so that maintenance services can be managed in their own facilities near their assets/ customers notwithstanding that their assets may be deployed in countries a fair distance from national headquarters, which could point towards a narrower relevant geographic market.

30. The above notwithstanding, given that the outcome of the assessment will not be affected under any alternative market definition, the market for the supply of rolling stock can be construed as Africa-wide.

31. With regard to the operating lease market, given the nature of ownership of the rolling stock under such leases, the CID observed that similar competitive conditions would also apply, as confirmed by the experiences of the Member States highlighted above.

32. Accordingly, and recalling that the outcome of the assessment will not be affected under any alternative market definition, the geographic scope for each of the relevant markets identified has been construed as Africa-wide.

Conclusion of Relevant Market Definition

33. For the purposes of assessing the proposed transaction, and without prejudice to its approach in future similar cases, the CID identified the relevant markets as:

    a) **the market for the supply of rolling stock in Africa; and**

    b) **the market for the supply of operational lease for rolling stock in Africa.**

[23] https://rollingstockworld.com/freight-cars/next-430-flatcars-by-crrc-put-in-operation-in-kenya/, accessed on 20 June 2024.
[24] https://www.crrcgc.cc/en/2016-10/19/article_62288B804C084C9E93DA2904D1FD625D.html.
[25] https://www.railjournal.com/in_depth/light-rail-mauritius/, accessed on 20 June 2024.
[26] https://infra.economictimes.indiatimes.com/news/railways/a-dozen-african-countries-to-be-tapped-for-business-rites/110644110, accessed on 20 June 2024.

Market Shares and Concentration

34. The parties submitted that the estimated market shares of the merging parties in relation to the market for the provision of rolling stock leasing solutions in the Common Market per Table 1 below:

Table 1: Estimated Market Shares for the provision of rolling stock leasing solutions in the Common Market

Provider	**Market Shares (%)**
Transnet Freight Rail	[10 – 15]
The Grindrod Group (including the Primary Target Business)	***[5 – 10]***
Traxtion Sheltam	[5 – 10]
Surtees	[0 – 5]
Thelo	[0 – 5]
Genrail	[0 – 5]
Others	[60 – 70]

35. The parties have submitted that due to the lack of third-party data available in respect of the African rail leasing market, they have estimated the total number of locomotives and wagons available in the region using their knowledge of and experience in the market. In this regard, the parties estimate that approximately [60 – 70]% of rolling stock assets deployed in the Common Market are owned by national rail regulators across the African continent including, *inter alia*, National Railways of Zimbabwe, Zambia Railways Line, Portos e Caminhos de Ferro de Moçambique, Eswatini Railways, Tanzania Railways Limited, Africa Star Railway Operation Company (Kenya), Egyptian National Railways, Société Nationale des Chemins de Fer Tunisiens, Kenya Railways and Société Nationale des Chemins de Fer du Congo.

36. The CID observed that the main global providers of rolling stock include Bombardier, General Electric, CRRC, ABB, Alstom, Siemens, Kawasaki Heavy Industries and Chittaranjan Locomotive Works. [27]

37. It is recalled that the Primary Target Business comprises of 9 rolling stock, which the parties estimate constitutes no more than 1% of the market for the provision of rolling stock leasing solutions in the Common Market. The parties estimate the locomotive fleet size or requirement in the Common Market to be approximately 800 locomotives and 20,000 wagons and that leasing currently only represents approximately 200 locomotives and 5,000 wagons. The CID further notes that the market shares of the acquiring group already include the market shares of the Primary Target Business since GMU already (indirectly) jointly controlled the

[27] Information gathered from www.verifiedmarketresearch.com/blog/top-9-rolling-stock-manufacturers/ accessed 14 June 2024.

Primary Target Business pre-merger. The CID was therefore satisfied that the transaction will not result in any market share accretion.

38. The parties have submitted that barriers to entry relate to owning or having access to rolling stock in line with client requirements; government and national railway operator support and relationships; lead times to manufacture or redeploy rolling stock; gauge, axle weight, couplers and tractive effort required; the ability to acquire / finance and maintain rolling stock; and specialised skills. The parties have further submitted that each country has its own operating model, duties and taxes and regulatory requirements that need to be complied with and these may contribute to entry barriers.

39. According to the parties, a new entrant may be able to sub-lease from existing market players and build their business on the back of securing exclusive lease contracts. The parties estimate that a new entrant will require access to at least USD 10 – USD 25 million in funding or capital to enter the rolling stock leasing market effectively. The parties estimate that it will take a potential competitor approximately 12 to 24 months to enter the market. The parties however were not aware of any new entrants to the market for the provision of rolling stock leasing solutions in the Common Market during the last 3 years.

40. The parties have submitted that the provision of rolling stock leasing solutions is an established concept in many markets outside of the Common Market, and that there are various large and established rolling stock leasing companies operating globally with the expertise, resources and capital to enter the Common Market with ease.

41. The CID noted that the minimum capital requirement may constrain the number of new rolling stock lessors entering the market and the swiftness within which such entry occurs. Despite the existence of these barriers, considering that the transaction will result in no change in the market structure, barriers to entry in the relevant market would not be heightened by the current transaction.

42. In the current transaction, the CID noted that the Primary Target Business was already indirectly controlled by the acquiring group. Given the market shares of the acquiring group are small and noting that the relevant market is characterised by the presence of a number of rivals, the CID considered the fact that the acquiring group will still be constrained by the other players in the relevant market. The transaction is therefore unlikely to result in the creation or strengthening of a dominant position which could lead to unilateral effects.

43. Further, the transaction will not result in the removal of a significant competitor from the relevant market, thus making the likelihood that coordinated effects as a result of this transaction will be facilitated or enhanced improbable.

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Consideration of Vertical Effects

44. Post the transaction, the acquiring group will become a supplier of rolling stock and potentially of rolling stock operational leasing solutions. This transaction could create vertical links by adding assets and capacity to a supplier of rolling stock and operational lease for rolling stock. The CID therefore considered whether the transaction is likely to result in foreclosure effects. Having regard to the contracts and locomotives forming part of the Primary Target Business, it is noted that the acquiring group was the only customer of the Primary Target Business. In addition, it is observed that all rolling stock leased by NLPI/GMU (included the sub-leases from RailCo) is leased to BBR in Zimbabwe, which forms part of the acquiring group. The CID observed that since the customer of RailCo is already part of the acquiring group, no foreclosure is likely to occur post the transaction. Further, competitors of BBR will continue to have access to their existing suppliers of rolling stock leases post-merger.

Consideration of Third-Party Views

45. In arriving at its determination, the CID also considered submissions from the National Competition Agencies of Eswatini, Kenya, Zambia, Mauritius, Zimbabwe and Malawi which confirmed the absence of competition and public interest concerns.

Determination

46. 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 will it be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.

47. The CID, therefore, approved the transaction.

48. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 11th day of July 2024

Commissioner Dr Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma **Commissioner Islam Tagelsir Ahmed Alhasan**