



**COMESA Competition Commission**  
Kang'ombe House, 5th Floor-West Wing  
P.O. Box 30742  
Lilongwe 3, Malawi  
Tel: +265 (0) 1 772 466  
Email- compcom@comesa.int



**Common Market for Eastern  
and Southern Africa**

**Case No. CCC/MER/07/25/2018**

**Decision<sup>1</sup> of the Forty-Fifth (45<sup>th</sup>) Committee Responsible for Initial Determination on the Application for Authorisation of the Proposed Merger between Fairfax Africa Holdings Corporation and Consolidated Infrastructure Group Limited**

**ECONOMIC SECTOR:** Energy

**4<sup>th</sup> October 2018 – Johannesburg, South Africa**

<sup>1</sup> 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 Where possible the information omitted has been replaced by ranges of figures or a general description.

*n.l.e.*

*F.F.P. B.M.L*

## Information and Relevant Background

1. On 29<sup>th</sup> June 2018, the COMESA Competition Commission (hereinafter referred to as the “Commission”) received a notification for approval of a merger between Fairfax Africa Holdings Corporation (“FAH”) and Consolidated Infrastructure Group Limited (“CIG”). The proposed transaction involved the acquisition by FAH of control over CIG through its wholly owned subsidiary company, Fairfax Africa Investments Proprietary Limited.
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (hereinafter referred to as the “Regulations”). Pursuant to Article 26 of the Regulations, 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.
3. The Committee Responsible for Initial Determination (hereinafter referred to as “the CID”) established that the parties operated in more than one COMESA Member State. This therefore meant that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserted jurisdiction on the Commission to assess the transaction.

## The Parties

### FAH

4. FAH is an investment holding company publicly traded on the Toronto Stock Exchange. FAH’s investment objective is to achieve long-term capital appreciation while preserving capital by investing in public and private equity securities and debt instruments of African businesses or other businesses with customers, suppliers or businesses primarily conducted in, or dependent on Africa. The parties have submitted that FAH is controlled by Fairfax Financial Holdings Limited and they both have interests in entities with operations in the Common Market.
5. Through its interests, FAH has operations in Egypt, Mauritius, Rwanda, Uganda, Zambia and Zimbabwe.

### CIG

6. The parties submitted that CIG is a leading Pan-African diversified infrastructure group which is listed on the Johannesburg Stock Exchange. The parties submitted that CIG is involved in the power and extraction industries across Africa through its divisions namely: ~~power; consolidated building materials; oil and gas; and rail.~~
7. The parties submitted that CIG has operations in the following COMESA Member States: Eswatini, the Democratic Republic of Congo, Ethiopia, Kenya, Malawi, Mauritius, Seychelles, Uganda, and Zambia.

uAe

T-P-D

B.M.L

**Nature of the Transaction**

8. The parties submitted that the proposed transaction involved the acquisition by FAH of control over CIG through its subsidiary company, Fairfax Africa Investments Proprietary Limited.


**Competition Analysis**

9. The CID defined the relevant markets as follows:
- a) National market for the provision of power and extraction services;
  - b) National market for the maintenance of power generation infrastructure; and
  - c) National market for the provision of pre-paid meters and related services.
10. The CID observed that the transaction did not result in significant change in the structure of the relevant markets since the parties were not competitors pre-merger. The CID concluded that the merger is not likely to substantially prevent or lessen competition in the relevant markets and that the merger has no effect of restricting trade between Member States.

**Determination**

11. The CID determined that the merger is not likely to appreciably lessen competition in the Common Market and does not negate the COMESA Treaty of objective of full market integration. The CID therefore approved the transaction.
12. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 4<sup>th</sup> day of October, 2018



**Commissioner Patrick O. Okilangole**  
**(Chairperson)**



**Commissioner Brian M. Lingela**  
**(Member)**



**Commissioner Thembelihle P. Dube**  
**(Member)**