



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 File No. CCC/MER/04/14/2019

**Decision¹ of the Fifty-Ninth (59th) Committee Responsible for
Initial Determination Regarding the Proposed Merger involving
Tech Logistics Holdings and Inter Africa Holdings**

ECONOMIC SECTOR: Petroleum

30th July 2019

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

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Information and Relevant Background

1. On 16th May 2019, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of merger involving Tech Logistics Holdings (“**Tech Logistics**”) and Inter Africa Holdings (“**Inter Africa**”).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (the “**Regulations**”). 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. The Committee Responsible for Initial Determination (the “**CID**”) established that the parties operate in more than one COMESA Member State and they meet the prescribed notification thresholds. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

The Parties

Tech Logistics (the Acquirer)

4. It was submitted that Tech Logistics is a newly incorporated entity, which is wholly-owned by ECP Africa Fund IV LLC and ECP Africa Fund IV A LLC (collectively “**ECP Funds IV**”). ECP Funds IV are private equity funds with multiple investments in Africa.

Inter Africa (the Target)

5. Inter Africa is the holding company for the ‘Transport Forex’ business. It has developed a technology enabled platform that allows cross border road transportation customers to procure petroleum products and manage their costs by providing transport and fuel related payment services. These services are offered in the Democratic Republic of Congo, Malawi, Zambia and Zimbabwe.

Nature of the Transaction

6. The parties have submitted that the transaction entails the proposed acquisition of shares by Tech Logistics in Inter Africa. Following the implementation of the Proposed Transaction, Inter Africa (i.e. the Transport Forex business) will be jointly controlled by Tech Logistics (and ultimately by ECP Funds IV) and the Trans Africa Private Foundation.

Competition Analysis

7. The CID defined the relevant markets as follows:
 - a) The supply of diesel in Africa; and
 - b) The provision of payment services in Africa.

8. The CID observed that the transaction is not likely to raise significant competition concerns due to the absence of horizontal overlaps in the activities of the merging parties pre-merger. The parties were involved in distinct activities pre-merger such that there is no likelihood of market share accretion post-merger. The CID also observed that the relevant markets are characterised by the presence of strong competitors which will continue to give competitive pressure to the merging parties.

Determination

9. The CID determined that the merger is not likely to substantially lessen or prevent competition in the Common Market or any substantial part of it. Further that the transaction is not likely to negatively affect trade between Member States. The CID therefore approved the transaction.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 30th day of July, 2019



Commissioner Patrick Okilangole (Chairperson)



Commissioner Brian M. Lingela



Commissioner Thembelihle P. Dube Nee Dlamini