



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/08/28/2019

Decision¹ of the Sixty-Eighth (68th) Committee Responsible for Initial Determination Regarding the Proposed Merger Involving the Acquisition of Mobisol Kenya Limited and Mobisol Rwanda Limited by Engie Afrique S.A.S.

ECONOMIC SECTOR: Energy

23rd December 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

A large, stylized handwritten signature in black ink, located in the bottom left corner of the page.

A handwritten signature in black ink, located in the bottom right corner of the page.

Information and Relevant Background

1. On 18th October, 2019, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of a merger involving Mobisol Kenya Limited (“**Mobisol KE**”), Mobisol Rwanda Limited (“**Mobisol RW**”) and Engie Afrique S.A.S.
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 required prescribed merger 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

Engie Afrique S.A.S. (the Acquirer)

4. It was submitted that the Acquirer is a private limited company incorporated in France which has activities across several companies owned around generation, distribution, transport, use, management and development of energy and provides services related to these activities. The Acquirer is part of the Engie SA group of companies which has operations across many jurisdictions worldwide. The acquiring group has operations in Burundi, Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Mauritius, Rwanda, Seychelles, Sudan, Uganda, Zambia and Zimbabwe.

Mobisol KE and Mobisol RW (the Target Undertakings)

5. It was submitted that one of the target undertakings, Mobisol KE, is a private limited liability company incorporated in Kenya. Mobisol KE is a wholly owned subsidiary of Mobisol GmbH (the “**Seller**”) which is registered in Berlin, Germany. The other target undertaking, Mobisol RW, is a private limited liability company incorporated in Rwanda. The Target Undertakings are both engaged in the distribution, sale and marketing of solar home systems and related appliances in Kenya and Rwanda, respectively. It was submitted that the target undertakings have operations in Ethiopia, Kenya, Madagascar, Rwanda, Uganda and Zambia.

Nature of the Transaction

6. The parties submitted that the proposed transaction relates to the acquisition of the Target Undertakings by the acquiring firm and consists of a direct acquisition of 100% shares in Mobisol KE and an indirect acquisition of 100% shares in Mobisol RW by the acquiring firm. The proposed transaction relates to the solar home systems sector.



BML

Competition Analysis

7. The CID defined the relevant market as the market for the supply of electricity in the Common Market.
8. The CID observed that the transaction will lead to a minimal accretion of market shares. However, given the presence of numerous competitors in the relevant market, competition concerns are unlikely to manifest, post-merger. The CID also observed that the relevant market is characterised by low barriers to entry as witnessed by the presence and entry of numerous players in the relevant market.

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. The CID approved the transaction without conditions.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 23rd December, 2019



.....
Commissioner Brian M. Lingela (Chairperson)



.....
Commissioner Islam Tagelsir Ahmed Alhasan