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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 26 of 2018

Notice of Inquiry into the Proposed Merger Involving Inchcape Kenya Limited and RMA Motors (Kenya) Limited.

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the proposed merger involving Inchcape Kenya Limited (**Inchcape Kenya**) and RMA Motors (Kenya) Limited (**RMA Motors**), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The Parties have submitted that the proposed transaction involves the acquisition by Inchcape Kenya, of the business assets of RMA Motors and as a result, Inchcape Kenya will have direct sole control over RMA Motor`s business.

The parties have submitted that the acquirer, Inchcape Kenya is a newly private limited liability company incorporated in the Republic of Kenya. whose registered address is ICEA Lion Centre 5th Floor, West Wing Chiromo Road, P.O. Box 10643-00100 Nairobi, Kenya, It is an indirect subsidiary of Inchcape Plc, a publicly listed multinational automotive distribution, retail and services company headquartered in London, United Kingdom. Inchcape Plc`s address is 22a St James`s Square London SW1Y 5LP United Kingdom. The Acquirer is directly owned and controlled by Inchcape International Holdings Limited (Inchcape International) whose address is 22a St James`s Square London SW1Y 5LP United Kingdom.

Inchcape Plc has subsidiaries in Ethiopia and Djibouti. The Ethiopian subsidiary is Motors and Engineering Corporations of Ethiopia (MOENCO) and the Djibouti subsidiary is Red Sea Automotive (RSA) Free Zone Company. The Parties have further submitted that RSA is an entity registered under the laws of Djibouti, and operates and owns assets within the free trade zone of Djibouti and is a duty-free stock holding office that services the Ethiopian market meaning that all of its sales are derived from the Ethiopian market through exports.

The parties have submitted that target, is the automotive retail business and assets of RMA Motors, a private limited liability company incorporated under the laws of the Republic of Kenya whose address is P.O Box 2231-00606 Nairobi Kenya.

The parties have further submitted that RMA Motors was incorporated on 5th October, 2012. It was acquired by RMA Group through Clipper Holdings Limited, in January 2013 for the purpose of operating the automotive distribution business of Jaguar Land Rover in Kenya.

The Commission will, in accordance with the provisions of the Regulations, determine among other things whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: jmwesige@comesa.int. All written representations should be sent to the Commission not later than **22nd September, 2018**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Mr. John Mwesige, Economist** on Tel: +265 (0) 1 772 466 or E-mail at jmwesige@comesa.int.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.