



COMESA Competition Commission
Kang'ombe House, 5th Floor-West Wing
P.O.Box30742
Lilongwe3, Malawi
Tel:+26501 772466
Email- compcom@comesa.int



**Common Market for Eastern
and Southern Africa**

CASE FILE No. CCC/MER/7011/2013

**Decision¹ of the Committee of Initial Determination
Regarding the Merger between Apollo Tyres Limited
and Cooper Tire and Rubber Company**

ECONOMIC SECTOR: Rubber Products

December 2013

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

Information and Relevant Background

1. On 23rd July, 2013, the COMESA Competition Commission (‘the Commission’) received a merger notification from Bowman Gilfillan on behalf of their clients Apollo Tyres Ltd (‘Apollo’) and Cooper Tire and Rubber Company (‘Cooper’) hereinafter called the parties. The transaction involves the acquisition of 100% of the shares in Cooper in consideration for cash by Apollo through certain of its subsidiaries.
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (‘the Regulations’). The Commission’s concern is primarily 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 as provided for under Article 26 of the Regulations.
3. The Committee of Initial Determination (the CID) observed that the parties operate in two or more COMESA Member States. This, therefore, means that the regional dimension requirements under Articles 23(3) and 23(5) are satisfied and ultimately asserts jurisdiction of the Commission to assess the transaction.

The Parties

Apollo Tyres Ltd (‘Apollo’)

4. The acquiring firm is Apollo, an Indian public company with its corporate headquarters in Gurgaon, India. Apollo Tyres Ltd. manufactures and sells automotive tyres, tubes, and flaps in India, South Africa, and Europe. Its product portfolio includes passenger car, SUV, MUV, light truck, truck–bus, agriculture, industrial, specialty, bicycle, and off highway tyres; retreading material and tires; and alloy wheels. The company offers its products primarily under the Apollo, Dunlop, and Vredestein brands, as well as under the Kaizen, Maloya and Regal brands. In Africa, Apollo sells tyres under the Dunlop brand for which it owns the brand rights in 32 African countries among them those in the Common Market.

Cooper Tire and Rubber Company (‘Cooper’)

5. The target firm Cooper is a US public company with its corporate headquarters in Findlay, Ohio, USA. Cooper is a manufacturer and marketer of replacement tires. Cooper focuses on the manufacture and sale of passenger and light and medium truck replacement tyres. The Company operates through two segments: North American Tyre Operations and International Tyre Operations. The North American Tyre Operations segment manufactures and markets passenger car and light truck tyres, primarily for sale in the United States replacement market. The North American Tyre Operations segment also distributes tyres for racing, medium truck and motorcycles that are manufactured at the Company’s subsidiaries. The International Tyre Operations segment has manufacturing operations in the United Kingdom, the Republic of Serbia and the People’s Republic of China. Cooper, however, also exports directly into the Common Market.

Competition Analysis

6. The CID noted that the relevant product market is the manufacturing and distribution of consumer and commercial rubber tyres in the Common Market. It was further noted that the merger will not substantially alter the market concentration ratio as the parties' market shares are insignificant. This will result in competition levels in the Common Market remaining the same.

Determination

7. In view of the foregoing, the CID has determined that the acquisition of Cooper by Apollo is not likely to substantially prevent or lessen competition and it will not be contrary to public interest. The CID has also determined that the transaction does not negate the objectives of Article 3 of the Treaty, hence it does not conflict with the regional economic integration agenda.
8. This decision is adopted in application of Article 26 of the COMESA Competition Regulations.

Dated this 17th day of December 2013.

For the Commission

(Signed)

George K. Lipimile