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**Common Market for Eastern  
and Southern Africa**

**CASE FILE No. CCC/MER/6/20/2014**

**Decision<sup>1</sup> of the Thirteenth Meeting of the Committee of Initial  
Determination Regarding the Proposed Merger between Grohe  
Luxembourg Four S.A. and Main Street 1254 (Proprietary) Limited**

**ECONOMIC SECTOR: Construction**

**19<sup>th</sup> November 2014 – Johannesburg, South Africa**

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

## **Information and Relevant Background**

1. On 8th August 2014, the COMESA Competition Commission hereinafter referred to as (the "Commission") received a notification for approval of a merger (the "transaction") between Grohe Luxembourg Four S.A. (hereinafter referred to as "Grohe Luxembourg") and Main Street 1254 (Proprietary) Limited (hereinafter referred to as "Watertech Holdco").
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations ("the Regulations"). Under this provision 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 pursuant to Article 26 of the Regulations.
3. The Committee of Initial Determination hereinafter referred to as (the "CID") noted 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 asserts jurisdiction of the Commission to assess the transaction. The parties to the transaction are currently active in the Democratic Republic of Congo, Kenya, Mauritius, Seychelles, Swaziland, Uganda, Zambia and Zimbabwe.

### **The Parties**

#### **Watertech Holdco**

4. Watertech Holdco is a private company incorporated under the laws of South Africa and has been established for the purposes of the proposed transaction. The Watertech companies sell a selection of a range of products including taps, mixers etc. Watertech Holdco is a wholly owned subsidiary of Distribution and Warehousing Network Limited ("DAWN Limited").

#### **Grohe Luxembourg**

5. Grohe Luxembourg is a company incorporated under the laws of Luxembourg and has been established company for purposes of the proposed transaction and is jointly held by Grohe Group S.a r. l and the Lixil Corporation, with Grohe Group S.a.r.l holding 51% and Lixil Corporation 49% of the issued shares in Grohe Luxembourg. Grohe Group S.a r.l sells taps, mixers, shower fittings and installation systems into the Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Kenya, Libya, Mauritius, Seychelles, Sudan, Swaziland, Uganda, Zambia and Zimbabwe.

### **Nature of the Transaction**

6. The proposed transaction involves the acquisition by Grohe Luxembourg of 51% of the issued shares in Watertech Holdco.

