

8 September 2022

CCC Merger Inquiry Notice No. 32 of 2022

Notice of Inquiry into the Proposed Merger involving SABIC Agri-Nutrients Company and ETG Inputs Holdco 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 SABIC Agri-Nutrients Company (“**SABIC AN**”) and ETG Inputs Holdco Limited (“**EIHL**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the acquirer, SABIC AN, a public joint-stock company owned 50.1% by Saudi Basic Industries Corporation, is a global fertiliser producer. Its portfolio includes urea, ammonia, phosphate, and specialised products. In the Common Market, the acquiring group is active in the Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe.

The parties have submitted that EIHL is, *inter alia*, involved in the import, blending, and distribution of fertiliser commodities. EIHL is currently jointly controlled by ETC Group (ETG World) (51%) and the Public Investment Corporation (SOC) Ltd of South Africa (49%). In the Common Market, the target is active in Burundi, the Democratic Republic of Congo, Djibouti, Ethiopia, Kenya, Madagascar, Malawi, Rwanda, Seychelles, Uganda, Zambia, and Zimbabwe.

In terms of the notified transaction, SABIC AN is acquiring 49% of the issued share capital of EIHL. It has been submitted that the introduction of SABIC AN as 49% shareholder in EIHL will strengthen ETC Group’s efforts to further penetrate the Agricultural inputs markets globally. EIHL owns more than 350 distribution centres across Sub-Saharan Africa and specialises in distribution and blending of specialised fertilisers and agro-chemicals. With its network of agents and agronomists, EIHL has positioned itself to cater to commercial and smallholder farmer requirements across the African.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether the Proposed Transaction is likely to substantially prevent or lessen competition within the Common Market and whether the Proposed

Transaction 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 parties to the proposed transaction to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **29 September 2022**.

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 **Ms. Sandya Booluck, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or sbooluck@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.