

23 August 2023

**CCC Merger Inquiry Notice No. 20 of 2023**

**Notice of Inquiry into the Proposed Creation of a Full-Function Joint Venture by Trafigura Group PTE Limited, Mota-Engil SGPS SPA and Vecturis S.A.**

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 creation of a full-function joint venture by Trafigura Group PTE Limited (through its subsidiary Trafigura Lobito Investments PTE Ltd, together “**Trafigura**”), Mota-Engil SGPS SPA (through its subsidiary ME Lobito SGPS, LDA, together “**Mota-Engil**”) and Vecturis S.A. via Lobito Atlantic Holding SGPS LDA (“**LAH**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties submitted that the Trafigura Group is a leading independent commodity trader, specialising in the oil, minerals and metals markets. The Trafigura Group has two main lines of business, namely physical commodity trading and related logistics including shipping and chartering, and various activities relating to industrial infrastructure. The Trafigura Group is active in the following Member States in the Common Market: Burundi, the Democratic Republic of Congo (DRC), Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Zambia and Zimbabwe.

The parties submitted that the Mota-Engil Group is a multinational corporation with operations focused on construction and infrastructure management in the engineering and construction, environment and services, transport concessions and energy sectors. In the Common Market, the Mota-Engil Group operates in Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe.

Trafigura and Mota-Engil each hold 49.5% of the shares in LAH, with the remaining 1% held by Vecturis S.A. LAH. Through its operating subsidiary Lobito Atlantic Railway, S.A., LAH will construct, maintain and operate the Lobito Luau railway line located in Angola for the purposes of transporting goods between the Angolan port city of Lobito and surrounding areas, such as the Copperbelt region of Zambia and DRC.

The parties submitted that the Proposed Transaction will improve exports into and out of the Copperbelt region of DRC by improving access to refurbished rail infrastructure enabling export mining commodities to move from the region to the end customer via

Lobito's port. Improvement to the capacity of the current Lobito line will help to resolve issues with bottlenecked mining routes in the area.

According to the parties, the transaction will play a critical role in the socioeconomic context of Angola, DRC and the broader Southern African Development Community by providing efficient logistical access for iron ore exports and critical consumer goods imports into more remote areas of the region. It is anticipated that the Proposed Transaction will create approximately 1 900 direct jobs and facilitate the creation of countless more indirect employment opportunities.

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@comesacompetition.org](mailto:sbooluck@comesacompetition.org). All written representations should be sent to the Commission not later than **13 September 2023**.

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, Principal Analyst, Competition Division** on Tel: +265 (0) 1 772 466 or [sbooluck@comesacompetition.org](mailto:sbooluck@comesacompetition.org).

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.