

31 January 2024

CCC Merger Inquiry Notice No. 4 of 2024

Notice of Inquiry into the Proposed Joint Venture between Public Investment Fund and Pirelli Tyre S.p.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**”) has received notification in terms of Article 24 of the Regulations of the proposed establishment of a tyre manufacturing joint venture (“**JV Company**”) between Public Investment Fund (“**PIF**”) and Pirelli Tyre S.p.A. (“**Pirelli**”) and intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that PIF is the Saudi Arabian sovereign wealth fund, established in Riyadh, Kingdom of Saudi Arabia (“**KSA**”), in 1971. PIF has direct and indirect investments in a number of sectors across KSA and globally, including food and agriculture, energy, financial sector, manufacturing, real estate, logistics and digital sectors.

The parties have submitted that Pirelli operates as a company under the direction and coordination of Pirelli & C. S.p.A., which today operates as an Italian multinational tyre manufacturer and supplier. Pirelli is focused on the manufacture and supply of tyres for cars, motorcycles and bicycles, as well as provision of associated services.

The business of the JV Company, and the objective for which it is formed, is to establish and operate a plant in the KSA for the production and sale of certain tyres for sport utility vehicles and passenger cars bearing a new trademark owned by the JV Company (“**Roll Products**”), as well as the production of PCR Tyres to be sold to Pirelli and/or its affiliates, bearing the “**PIRELLI**” trademark (“**Pirelli Products**”), according to a certain offtake agreement to be signed at closing. The Roll Products will be sold by the JV Company to Original Equipment Manufacturer and replacement tyres markets primarily in the KSA, and certain countries in the Gulf Cooperation Council and Middle East and North Africa region¹ as set out in the Joint Venture Agreement. The Pirelli Products will be sold by the JV Company solely to Pirelli and/or its affiliates which will in turn sell such Pirelli Products to Original Equipment

¹ The relevant countries include the KSA, the Kingdom of Bahrain, the State of Kuwait, the Sultanate of Oman, the State of Qatar, the United Arab Emirates, the Hashemite Kingdom of Jordan, the Lebanese Republic, the Arab Republic of Egypt, the Republic of Tunisia, the People’s Democratic Republic of Algeria, and the Kingdom of Morocco.

Manufacturer and replacement tyres markets primarily in the Middle East and North Africa region.

According to the parties, the Proposed Transaction will not give rise to substantial prevention or lessening of competition in the COMESA Common Market.

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. All written representations should be sent to the Commission not later than **21 February 2024**.

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) 111 772 466 or 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.