

17 May 2024

CCC Merger Inquiry Notice No. 18 of 2024

Notice of Inquiry into the Proposed Merger involving Grindrod Mauritius and RailCo Africa 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 the transfer of certain assets by RailCo Africa Limited (“**RailCo**”) to Grindrod Mauritius (“**GMU**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The notified transaction concerns the transfer of Specified Contracts, Specified Debtors and Specified Locomotives) (the “**Primary Target Business**”) by RailCo to GMU.

GMU is part of the Grindrod Group, which comprises Grindrod Limited and all firms controlled (whether directly or indirectly) by Grindrod Limited. The Grindrod Group is primarily active in the provision of freight and logistics services. In this regard, the Grindrod Group sells products and renders services through two main segments, namely – (i) Port and Terminals; and (ii) Logistics. In the Common Market, the Grindrod Group is present in Kenya, Eswatini, Mauritius, Uganda, Zambia and Zimbabwe.

The Primary Target Business comprised part of the business of RailCo (including its subsidiaries GPR Leasing Africa and Africa Rolling Stocks Solutions Limited), which operates as a private rolling stock supplier in Africa. In the Common Market, the Primary Target Business is present in Mauritius and Zimbabwe.

The parties have submitted that the Proposed Transaction takes place in the context of a repurchase by RailCo of all its issued share capital previously held by GMU, the consideration for which has been settled by way of the transfer of the Primary Target Business by RailCo to GMU. Prior to the Transaction, GMU already (indirectly) jointly controlled the Primary Target Business (and the Proposed Transaction thus comprises a move from joint to sole control).

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 **7 June 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) 111 772 466/529/530 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.