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Common Market for Eastern
and Southern Africa

4 October 2024

CCC Merger Inquiry Notice No. 40 of 2024

Notice of Inquiry into the Merger Involving Sinoma Cement Co. Ltd, Granulats Jbel Oust S.A and Société Les Ciments De Jbel Oust 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 merger involving Sinoma Cement Co. Ltd. (“**SCC**”), Granulats Jbel Oust S.A. (“**GJO**”) and Société Les Ciments De Jbel Oust S.A (“**CJO**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties submitted that the proposed transaction consists of the purchase by SCC of all the shares issued by CJO, a joint stock company (société anonyme) organized under the laws of Tunisia, from Votorantim Cimentos EAA Inversiones S.L.U. (“**VCEI**”). As result of the proposed transaction, SCC will assume control of CJO and its fully owned subsidiary GJO.

SCC is a limited liability company formed in China on November 20, 2003, with its registered office at 5/F, Building 17, Beizhan North Street, Xicheng District, Beijing, China. SCC is a cement-based building materials enterprise. It has achieved diversified development in concrete, aggregate, bricks, admixture, and co-processing. It is active in China and Zambia where it operates plants for cement and aggregates production. Within the Common Market, SCC operates in Burundi, Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Somalia, Tunisia, Uganda, Zambia and Zimbabwe.

The parties submitted that VCEI is a limited liability company formed in Spain on October 8, 2012, based in Vigo, Brasil. It is involved in the manufacture, purchase, sale, import, export, distribution and transport of cement, concrete, aggregates, and mortar products. It is the parent company of the group Grupo Votorantim Cimentos EAA Inversiones, S.L., with subsidiaries in Spain, Morocco, Tunisia and Turkey. The parties submitted that CJO operates a cement plant in Tunisia where it produces cementitious materials (mainly cement and clinker). It controls GJO which produces aggregates within the same region as the cement. With the Common Market, CJO and GJO operate in Libya and Tunisia.

The parties submitted that the transaction is in line with SCC’s strategy and internationalisation development plan, which is expected to accelerate SCC’s and its affiliates’ internationalisation deployment. CJO has a long operating history, stable

operation, and is geographically located close to the ports with favourable location conditions and is a mature integrated cement enterprise in the regional market. The acquired assets are of high quality, and the production lines of CJO and GJO are in line with SCC's production lines and can bring significant synergy to the current businesses of SCC. Therefore, the acquisition of CJO constitutes a strategic development axis for SCC. There is no existing overlapping business between SCC and CJO/GJO and accordingly the Transaction shall not result in an increase in market share in the common market. Therefore, there is no contemplated material effect on the competition in the 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: akamanga@comesacompetition.org. All written representations should be sent to the Commission not later than **25 October 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 **Mr. Ali Kamanga, Principal Analyst, Competition Division** on Tel: +265 (0) 111 772 466 or akamanga@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.