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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/12/49/2024

**Decision¹ of the 116th Meeting of the Committee Responsible
for Initial Determinations Regarding the Proposed Merger
involving Renewable Energy Localization Company,
Envision Energy Technology Pte. Ltd and Vision Industries
Company**

ECONOMIC SECTOR: Energy



25 March 2025

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible, the information omitted has been replaced by ranges of figures or a general description.

The Committee Responsible for Initial Determinations,

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the “**COMESA Treaty**”);

Having regard to the COMESA Competition Regulations of 2004 (the “**Regulations**”), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the “**Rules**”);

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Having regard to the COMESA Merger Assessment Guidelines of 2014;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State;

Desirous of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration;

Determines as follows:

Introduction and Relevant Background

1. On 16 January 2025, the COMESA Competition Commission (the “**Commission**”) received a notification regarding the Proposed Merger involving Renewable Energy Localization Company (“**RELC**”), Envision Energy Technology Pte. Ltd. (“**Envision**”), and Vision Industries Company (“**Vision Industries**”), pursuant to Article 24(1) of the Regulations.
2. Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the transaction between the parties would or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.



3. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

The Parties

RELC

4. The parties submitted that RELC is a single shareholder joint stock company duly organised and existing under the Laws of Saudi Arabia. The parties submitted that as at the date of the merger notification, RELC did not have any operation in the Common Market.²
5. The parties submitted that RELC is a wholly owned subsidiary of the Public Investment Fund ("PIF"), the sovereign wealth fund of Saudi Arabia. RELC focuses on creating partnerships between leading global manufacturers and the Saudi private sector to meet growing local and export demand for renewable energy, and secure and strengthen local supply chains. It works toward achieving the most appropriate mix for electricity production and replacing liquid fuels currently used in electricity and other sectors in Saudi Arabia (in line with Saudi efforts toward achieving Vision 2030 targets).
6. Within the Common Market, PIF is active in the following Member States: Egypt, Kenya, Libya, Malawi, Mauritius, Sudan, Tunisia, Zambia and Zimbabwe.

Envision

7. The Parties submitted that Envision is incorporated and domiciled in Singapore. It was submitted that the principal activities of Envision are the manufacturing and supply of wind turbine generator systems (WTGS).
8. The parties submitted that Envision is a subsidiary of the Envision Group, a global green technology company. It comprises: Envision Energy, a smart wind power and smart energy storage system technology company; Envision Power (AESC), a smart battery company; Envision Intelligence (Univers), which develops the world's leading smart IoT operating system; Envision Capital, which strategically invests in and nurtures pioneers of global green technology innovations; and the Envision Virgin Electric Formula One Team.
9. Within the Common Market, the Envision Group is active only in Egypt.

² The parties claimed confidentiality on this information.



Target JV

10. The parties submitted that the Target JV is a “full-function” greenfield joint venture which will involve the manufacture and supply of onshore WTGS, as well as providing the ancillary services (such as installation and commissioning). The parties also submitted that there is a possibility that the Target JV may extend its business to the offshore in the future.
11. The Target JV's intended territories of operations shall consist of the continent of Africa and the territories of Bahrain, Iraq, Jordan, KSA, Kuwait, Lebanon, Oman, Palestine, Qatar, Syria, the United Arab Emirates, Yemen, and any successor countries, i.e. the MEA.
12. As a “full-function” joint venture, the Target JV will have sufficient resources to operate independently on the market – notably by means of a dedicated management, sufficient financial resources, staff and assets to carry out its activities on a lasting basis.
13. The parties submitted that at the time RELC and Envision acquire joint control over the Target JV, it will have no operations in the Common Market or elsewhere.

Jurisdiction of the Commission

14. Article 24(1) of the Regulations requires ‘notifiable mergers’ to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the “**Merger Notification Thresholds Rules**”) provides that:

“Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or the target firm, operate in two or more Member States, shall be notifiable if:

- a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*
 - b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State”.*
15. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD 50 million in the Common Market and they each derived a turnover of more than USD 10 million in the Common Market. In addition, the parties do not hold more than



two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The CID was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

Details of the Merger

16. The parties submitted that the Proposed Transaction concerns the establishment of a joint venture in the Kingdom of Saudi Arabia, the Target JV or “EnVision Arabia for Industry between RELC (40%), Envision (50%) and Vision Industries (10%). The parties submitted that upon completion of the Proposed Transaction, RELC and Envision will jointly control the Target whilst Vision Industries will hold a non-controlling interest in the Target JV.

Competition Analysis

Consideration of the Relevant Markets

Relevant Product Market

Overview of the Wind Turbine Industry

17. The CID noted the parties’ submissions that WTGS are integrated systems encompassing the technology and infrastructure used to convert wind energy into electrical power. These systems primarily consist of wind turbines and components such as blades, a rotor, a nacelle housing the generator, and a tower, as well as the functioning software.
18. The CID also noted that WTGS captures wind energy (kinetic energy created by air in motion) through the rotation of the blades, which then changes the kinetic energy to rotational energy, and drives the generator to produce electricity through electromagnetism. The CID further observed that the generated electricity is subsequently transmitted through a network of transformers and power lines to the grid for distribution.
19. The CID noted the parties’ submissions that wind energy is one of the fastest-growing renewable energy technologies globally. Global installed wind-generation capacity onshore has increased by a factor of almost 75 in the past two decades, jumping from 7.5 gigawatts in 1997 to some 564 gigawatts by 2018, according to the latest data by the International Renewable Energy Agency. Global wind power generation doubled between 2009 and 2013, and in 2016, wind energy accounted for 16% of the electricity generated by renewables. One reason for the strong growth is that the cost of electricity generated by wind energy has been falling.
20. The CID noted the parties’ submissions that WTGS original equipment manufacturers (OEMs) generally provide customers with a final product consisting



of the assembled tower, nacelle (including the wind turbine generator), and the blades. As part of so called “turn-key” offerings, OEMs occasionally also organise and oversee the contracting for the structural foundations of the WTGS (i.e., below the tower) and the cables to connect the WTGS to the electricity network. A single WTGS OEM will usually supply all the WTGS for use on a particular wind farm, or at least for a major tranche of a wind farm, reflecting the economies of scale achieved in the construction of WTGS.

21. The CID noted that customers include utility companies, independent power producers, financial investors and communities (municipalities) or small landowners, such as farmers. The CID further noted that in some cases, WTGS are not sold to these end customers but to a project developer that selects the WTGS model, builds the wind farm and then sells the wind farm on to the end customers. WTGS sales usually happen through tenders.

Main components and functions

22. The CID noted that WTGS are a critical component of the renewable energy landscape, designed to convert kinetic energy from the wind into electrical power. These systems consist of several key components, including blades, a rotor, a nacelle (housing the wind turbine generator, gearbox, and other components), a tower, and a foundation, each playing a crucial role in the overall functionality and efficiency of the turbine.
23. The CID further noted that the efficiency and effectiveness of wind turbines depend on factors such as blade design, turbine height, and site location. The functions of the main components of the WTGS were presented as follows:
 - a. **Blades:** capture wind energy and convert it into rotational motion. Typically made from composite materials like fiberglass or carbon fibre for strength and durability.
 - b. **Rotor:** the assembly of blades and hub that rotates to drive the generator. Includes the hub, which connects the blades to the main shaft.
 - c. **Nacelle:** houses critical components such as the gearbox, generator, and control systems, and is mounted on top of the tower.
 - d. **Gearbox:** increases the rotational speed from the rotor to match the generator’s requirements.
 - e. **Generator:** converts mechanical energy from the rotor into electrical energy. Can be asynchronous (induction) or synchronous generators, depending on the design.



- f. **Tower:** supports the nacelle and rotor, elevating them to capture stronger winds. Usually made from steel or concrete for stability and strength.
 - g. **Control Systems:** monitor and adjust the turbine's operation to optimize performance and ensure safety. Include sensors, controllers, and software systems.
 - h. **Foundation:** anchors the turbine to the ground, providing stability. Can be monopile, gravity base, or other designs depending on the site conditions.
24. The CID noted that the Target JV is intended to manufacture and supply onshore WTGS and provide ancillary services. The CID further noted that the Target JV may extend its business to manufacture and supply offshore WTGS and ancillary services.
25. The CID noted that the JV parents, RELC and Envision, both have interests in the energy sector such as the manufacture of energy related components. For instance, Envision, through its subsidiaries, has interests in smart wind power and smart energy storage system technology, smart battery. It also invests in and pioneers global green technology innovations. The CID also noted that RELC creates partnerships between leading global manufacturers and the Saudi private sector to meet growing local and export demand for renewable energy. It works toward achieving the most appropriate mix for electricity production and replacing liquid fuels currently used in electricity and other sectors in Saudi Arabia.
26. For purposes of assessment of the Proposed Transaction, the CID focused on the products that the Target JV intends to provide as follows:
- Manufacture and supply of Wind Turbine Generator Systems (WTGS)*
27. The CID noted that WTGS, devices that convert kinetic energy of wind to electrical energy, vary depending on where they are installed. The CID further noted that a variation can be drawn between onshore and offshore WTGS.
28. The CID observed that onshore and offshore WTGS can be distinguished as follows³:
- i. **Onshore WTGS:** installed on land, generally easier and less expensive to install and maintain due to their accessibility. They are commonly found in rural areas, open plains, and mountainous regions where wind speeds are favorable.
 - ii. **Offshore WTGS:** installed in bodies of water, typically on the continental shelf. These systems benefit from stronger and more consistent wind

³ <https://www.envision-group.com/en/windturbines.html>



speeds, which can result in higher energy output. However, they involve higher installation and maintenance costs due to the challenging marine environment.

29. The CID considered that onshore and offshore WTGS can be distinguished both from an end user perspective (demand perspective) and from a supply perspective.
30. The CID noted that from a demand perspective, substitution between onshore and offshore WTGS may be limited given their differences in size, resulting in differences in output. The CID noted that for instance, in **General Electric Company/LM Wind Power Holding**, the European Commission ("EC") considered that customers of WTGS (such as utilities or project developers) confirmed that "onshore and offshore WTGS markets have to be distinguished as the technologies differ and the products cannot be considered substitutable".⁴ The EC also considered that the demand for offshore WTGS generally is for a full project, whereas onshore turbine demand is on a small scale, usually on a per unit basis. Further, larger offshore WTGS are better able to take advantage of strong offshore winds. To this end, the EC considered that the competitiveness of offshore turbines is mainly driven by the size and more robust technology is used in offshore products to minimize or avoid, to the extent possible, the need for intervention and repair, which requires specific infrastructure and entails very high costs.
31. The CID also noted that from a supply perspective, the onshore and offshore markets can be distinguished based on the significant differences in the WTGS design and project execution. Offshore projects are much more costly than onshore projects, as the bigger weight of the WTGS and the challenges of offshore installation have a larger impact on other costs, such as foundations and transportation.
32. The CID further noted that offshore projects are technically more challenging due to harsher environmental conditions and limited accessibility, which adds to the time, risks, and costs of installation. The CID further observed that transportation of onshore WTGS is more complicated than offshore, while maintenance of offshore WTGS is more complicated and expensive than onshore, because more resources need to be allocated to allow for regular intervention.
33. The CID was of the view that the above distinctions between onshore and offshore WTGS, particularly the cost implications that apply on each are likely to limit

⁴ Case COMP/M.8283 – General Electric Company/LM Wind Power Holding



substitutability. The CID therefore considered that onshore and offshore WTGS constituted distinct markets.

34. Based on the foregoing assessment and without prejudice to the CID's approach in similar future cases, the relevant product markets were defined as the:

- a. **Manufacture and supply of onshore WTGS; and**
- b. **Manufacture and supply of offshore WTGS.**

Relevant Geographic Market

35. The Commission's Guidelines on Market Definition define the relevant geographic market as comprising "***...the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas***".⁵
36. The CID observed that the Proposed Transaction entails the creation of a greenfield JV which is not yet operational anywhere including in the Common Market. The CID also observed that the supply of WTGS, onshore or offshore was likely to be restrained by the transportation costs given the weight and structure of the turbines if they are to be transaction as assemble units. Therefore, the CID considered it plausible to transport components of the WTGS and assemble the same close to the intended areas for installation.
37. The CID noted in ***Siemens/Gamesa***⁶, the EC considered that the geographic scope of the market was likely to EU-wide on account that WTGS suppliers effectively competed and were awarded tenders everywhere in the EEA regardless of where exactly their facilities were located. All suppliers have the capabilities to deploy servicing teams close to the sites from their bases within the EEA. Considering the above, the EC's market investigation suggested that the geographic scope for the markets for the manufacturing and supply of onshore WTGS to be EU wide. Transportation costs are more crucial for onshore WTGS given the complexities of transporting large WTGS by road, and therefore on one hand it is advantageous to produce large components close to the assembly site. This notwithstanding, the EC considered that the geographic scope of the market could be left open given the proposed transaction would not give rise to serious doubts as to its compatibility with the internal market.
38. The CID considered that in the current transaction, the transaction was not likely to raise competition concerns given this is a greenfield joint venture which is not

⁵ Paragraph 8

⁶ Case M.8134 - SIEMENS/GAMESA



yet operational. The market structure within the Common Market was not likely to be altered because of the Proposed Transaction. To this end, the CID was of the considered view that for purposes of the conducting the competitive assessment in this transaction, the relevant market can be left open as this will not alter the assessment.

Conclusion of Relevant Market Definition

39. Based on the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the CID defined the relevant market as the **manufacture and supply of onshore and offshore WTGS whose geographic scope is left open**.

Consideration of Substantial Lessening of Competition or "Effect" Test

Market Shares and Concentration

40. The CID noted the parties' submission of the following market shares in relation to the market for the manufacture and supply of onshore WTGS as of end of 2023.

Table 1: Manufacture and supply of onshore WTGS in the MEA by end of 2023⁷

Competitor name	Cumulative installation (gigawatts)	EY23	Market Shares (%)
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

Source: The total MEA market size and competitor's install volume are from Wood Mackenzie, Envision's 2023 actual installation volumes are its internal data

⁷ The parties claimed confidentiality on this information



Table 2: Manufacture and supply of onshore WTGS in the MEA by end of 2023⁸

Competitor name	Cumulative installation EY23 (gigawatts)	Market Shares (%)
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

41. The CID observed that the market structure was not likely to change as a result of the Proposed Transaction which entails the creation of a greenfield joint venture. The CID was therefore of the view that the Proposed Transaction was not likely to raise any competition concerns. The CID further observed that the relevant market is characterised by the presence of other significant suppliers that will continue to compete with the Target JV and Envision (which had a modest market share of [REDACTED] % in 2023).

Consideration of Third-Party Views

42. In arriving at its determination, the CID also considered submissions from the national competition authorities of Kenya, Mauritius, Seychelles, Zambia and Zimbabwe which confirmed the absence of competition and public interest concerns.

Determination

43. The CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.
44. The CID, therefore, approved the transaction.

⁸ The parties claimed confidentiality on this information



45. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 25th day of March 2025

Commissioner Dr Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Vipin Naugah

