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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/07/31/2025

**Decision¹ of the 121st Meeting of the Committee Responsible
for Initial Determinations Regarding the Proposed Merger
Involving K2024528179 (South Africa) Proprietary Limited
and Barloworld Limited**

ECONOMIC SECTOR: Construction, Mining and Energy



10 November 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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,

Desirability of the overriding objective of the Treaty establishing the Common Market for Eastern and Southern Africa (the "**Treaty**"), namely the strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration;

Cognisant of Article 55 of the 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.

Determines as follows:

Introduction and Relevant Background

1. On 11 August 2025, the COMESA Competition Commission (the "**Commission**") received a notification for approval of a merger involving K2024528179 (South Africa) Proprietary Limited ("**NewCo**" or the "**acquiring firm**"), of Barloworld Limited ("**Barloworld**", or the "**target firm**"), 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

NewCo (the “acquiring firm”)

4. NewCo is a newly incorporated South African company established for the purpose of the Proposed Transaction. NewCo does not supply any products or services. NewCo is jointly controlled by Entsha Proprietary Limited (“**Entsha**”) and Gulf Falcon Holding Limited (“**Falcon Holding**”), together, the “**Consortium**”.
5. The parties submitted that Entsha is a newly incorporated South African company that is wholly owned by DKMS Group Proprietary Limited (“**DKMS HoldCo**”), also a newly incorporated South African company. DKMS HoldCo, in turn, is wholly owned by a Trust, an *inter vivos* trust established for the benefit of Mr Dominic Sewela and his family. The Trust does not control any other firm. Entsha and DKMS HoldCo were established for purposes of the Proposed Transaction and do not supply any products or services.
6. The parties submitted that Falcon Holding is a wholly owned subsidiary of Zahid Tractor. Falcon Holding and Zahid Tractor form part of the Zahid Group. The Zahid Group is a multidisciplinary conglomerate headquartered in the Kingdom of Saudi Arabia (the “**Kingdom**”). The Zahid Group operates across 14 sectors throughout the Middle East, Africa, Europe and North America (including its existing minority, noncontrolling and long-held stake in Barloworld). It is active in various industries, including construction, energy, transport and logistics, hospitality and real estate. In the construction sector, the Zahid Group supplies heavy machinery, including acting as a long-term authorized Caterpillar dealer in the Kingdom.
7. The parties submitted that within the Common Market, the Zahid Group is active in Burundi, Kenya, and Uganda, as follows:
 - (i) **In Burundi:** the Zahid Group does not have a legal entity in Burundi, but Altaaqa Global, its subsidiary in the United Arab Emirates (“**UAE**”), had a rental power project, which was completed in November 2024, which generated revenue in Burundi. Additionally, the assets used for this project from this internal lease agreement are in the books of the UAE entity and are being repatriated.
 - (ii) **In Kenya:** the Zahid Group operates through its subsidiary, Blackwood Hodge (Kenya) Limited (“**Blackwood Kenya**”). Blackwood Kenya's activities primarily relate to the selling and servicing of generator sets.
 - (iii) **In Uganda:** the Zahid Group operates through its subsidiary, Blackwood Hodge Power **Services** Limited (“**Blackwood Uganda**”). Blackwood Uganda's principal activities are to import, export, sell, service, and act as agents for dealing in all types of diesel-powered generator sets, plus associated spares.



Barloworld (“the target firm”)

8. Barloworld is an industrial processing, distribution and services company with two primary areas of focus, namely Industrial Equipment and Services (through which the company is the official distributor of Caterpillar construction, mining and industrial equipment and power systems) and Consumer Industries (through which the company provides food and ingredient solutions).² Barloworld provides a link between the manufacturer and the customer and adds value through sales, aftermarket support and solutions to customers.
9. The parties submitted that within the Common Market, Barloworld is the official distributor of Caterpillar construction, mining and industrial equipment in DRC, Eswatini, Malawi, Zambia, and Zimbabwe as follow:
 - (i) **In the DRC:** Bartrac Equipment³ (an entity registered in Mauritius) and its subsidiary, Congo Equipment SARL, activities primarily relate to the distribution and servicing of Caterpillar machines along with spare parts and power systems products and services in the DRC.
 - (ii) **In Eswatini:** Barloworld operates a subsidiary in Eswatini, Barloworld Equipment **Eswatini** Proprietary Limited ("**Barloworld Eswatini**"). Barloworld Eswatini's activities primarily relate to the distribution of Caterpillar machines along with spare parts, and after-sales service.
 - (iii) **In Malawi:** Barloworld operates a subsidiary in Malawi, Barloworld Equipment (Malawi) Limited ("**Barloworld Malawi**"). Barloworld Malawi's activities primarily relate to the distribution and servicing of Caterpillar earthmoving machinery **along** with spare parts, sales of diesel generator sets, and Hyster forklifts, and hiring of Caterpillar machines.
 - (iv) **In Zambia:** Barloworld operates a subsidiary in Zambia, Barloworld Equipment Zambia **Limited** ("**Barloworld Zambia**"). Barloworld Zambia's activities primarily relate to the distribution of Caterpillar machines along with spare parts, and after-sales service.
 - (v) **In Zimbabwe:** Barloworld operates a subsidiary in Zimbabwe, Barloworld Zimbabwe Private Limited ("**Barloworld Zimbabwe**"). Barloworld Zimbabwe's activities **primarily** relate to the distribution of Caterpillar machines along with spare parts.

² The parties submitted that the Consumer Industries division made ad hoc de minimis sales to customers in COMESA in the immediately preceding financial year ended 30 September 2024.

³ The parties submitted that Bartrac Equipment is a joint venture in which Barloworld holds a 50% shareholding. The remaining 50% is held by [REDACTED]



Jurisdiction of the Commission

10. 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".*
11. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD50 million in the Common Market and they each derived a turnover of more than USD10 million in the Common Market. In addition, the parties do not derive/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

12. The notified transaction involves the proposed acquisition by Falcon Holding and Entsha of all the issued ordinary shares of Barloworld, through NewCo, other than those held by Barloworld subsidiaries, the Barloworld Empowerment Foundation Trust, Zahid Tractor & Heavy Machinery Co. Ltd ("**Zahid Tractor**"), Mr Dominic Sewela and the Katlego Le Masego Trust.

Competition Analysis

Consideration of the Relevant Markets

13. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the CID is guided by its Guidelines on Market definition and other authorities on the subject.



Relevant Product Market

14. The CID noted that the acquiring group through its subsidiaries distributes generator sets, plus associated spares in Kenya and Uganda. On the other hand, the target is the official distributor of Caterpillar construction and mining machinery—along with spare parts, distribution of diesel generators, construction and mining machineries related after-sale services in the DRC, Eswatini, Malawi, Zambia, and Zimbabwe.
15. The CID observed from the activities of the merging parties that the proposed transaction raises minimal horizontal overlap within the Common Market in relation to the market for distribution of generator sets. The CID therefore focused its assessment on the market for the distribution of generator sets. The CID further observed that the target’s activities are substantially related to the distribution of Caterpillar construction and mining machineries and related after sale services. Therefore, the CID also assessed these markets for any likely competition concerns within the Common Market.
16. Construction equipment comprises a wide range of heavy-duty machines designed to perform various construction activities.⁴ In contrast, mining equipment refers to large-scale machines specifically designed for mining operations, including the extraction & processing of minerals and other geological materials from the earth.
17. Construction equipment is utilized for diverse activities such as soil excavation, material transportation, loading, unloading, and waste management.⁵ These machines are essential for numerous tasks within the construction industry, including moving materials within and between sites, feeding materials into processing machines, retrieving processed materials, handling raw materials, and transporting them for further processing. They are also used for activities such as clearing land and cutting vegetation.
18. On the other hand, mining equipment is designed for extraction and processing minerals and other natural resources from the earth. This category includes underground and surface mining machinery, drills and breakers, crushing, pulverizing and screening equipment, miner processing machinery, conveyors, stackers, and reclaimers.⁶ It is therefore evident from the above that construction equipment are different from mining equipment based on their difference in functionalities and applications. This is consistence with the CID’s previous

⁴ <https://www.constructionplacements.com/construction-equipment>, accessed on 24 October 2025.

⁵ <https://www.ferrovial.com/en/stem/construction-machinery>, accessed on 24 October 2025.

⁶ <https://www.thebusinessresearchcompany.com/report/mining-machinery-and-equipment-global-market-report>, accessed on 4 October 2025.



decisional practices⁷ where road construction equipment and mining equipment were considered as distinct.

19. The CID also considered whether further distinction exist within these two segments, specifically between heavy and light construction and mining equipment. It was observed that heavy machinery includes earthmoving machines, road-making machines, and material handling machines, such as heavy excavators, heavy loaders, and heavy levelling machines (including dozers and graders). Light machinery includes smaller-scale equipment such as mini excavators, skid steer loaders, mini wheel loaders, and backhoe loaders.
20. The primary distinctions between heavy and light equipment lie in their size, capacity, and intended use. Heavy construction and mining machines are larger, more powerful and intended for large scale operations. Their operation mostly requires specialised training and certification.⁸ On the other hand, light construction and mining machines are smaller and easier to handle, and suitable for small scale or short duration projects. These machines mostly require less specialised training.⁹
21. Notwithstanding the above and given that the parties activities do not overlap in the distribution of construction and mining machineries market, further narrowing of the market into light and heavy equipment was considered as not necessary. The CID considered that any alternative market definition would not alter the competitive assessment with respect to the distribution of construction and mining equipment.
22. In view of the above, the CID concluded that **construction equipment and mining equipment** belong to separate market segments.
23. The CID observed that a generator is a machine that converts mechanical energy into electrical energy¹⁰ using either diesel, petrol or gas engine. It operates as an independent power generating.¹¹ Generators are widely used as backup power sources across residential, commercial, industrial, and institutional applications.
24. A generator converts the chemical energy contained in diesel/gas fuel into mechanical energy, which in turn drives the generator.¹² The generator then transforms this mechanical energy into electrical energy, providing power for lighting, appliances, and machinery. Generators serve as essential backup power

⁷ See Case File No. CCC/ MER/04/15/2024, the 108th Meeting of the CID regarding the proposed merger involving SAMS Investment Holding Co. RL/BV and Ariozo Group Holding SA/NV; Case No. 2017/09/LV/06, Deere & Company and Wirtgen Group Holding GmbH, dated 1 October 2017.

⁸ <https://www.oteplace.com/en/top-6-machinery-and-heavy-equipment-safety-tips-to-consider>, accessed on 25 October 2025

⁹ <https://www.warrenecat.com/news/construction-equipment-size-guide/>, accessed on 25 October 2025.

¹⁰ <https://www.emsa.gen.tr/en/products/diesel-generators>, accessed 25 October 2025.

¹¹ See Case No IV/M.700 - EMERSON/CATERPILLAR, para 15.

¹² <https://www.emsa.gen.tr/en/products/diesel-generators>, accessed 25 October 2025.



systems for buildings and are also employed in industrial, construction, and mining operations where access to grid electricity may be limited or unavailable.

25. The primary function of generators is power generation, either as standby units during grid outages or as the main power source in remote or off-grid locations.
26. The CID observed that generators can be categorized based on the type of fuel used, for instance as diesel generators and gas/gasoline generators. The main distinction lies in the fuel type used. Diesel generators utilize diesel fuel whereas gas generators typically use natural gas, propane, or gasoline. Both types of generators function as self-contained electricity generation units powered by their respective engines.
27. From substitutability perspective, the CID observed that diesel generators are known for their high fuel efficiency, lower fuel cost, longer lifespan, better power-to-weight ratio, and lower emissions compared to gasoline generators.¹³ However, gasoline generators tend to be cheaper to purchase, more widely available, and better suited for smaller loads and more portable applications. For example, a 5kW portable diesel generator will produce about 20% more power than its equivalent petrol counterpart.¹⁴ Further, diesel generators are more suitable for medium to high-power needs, while gasoline generators are better suited to small-scale or low-power tasks. petrol-powered generators are cheaper to buy and maintain than diesel versions because they need less maintenance and don't require special equipment to start up or keep running properly. Thus, diesel generators are different from gasoline generators in terms of their characteristics, functions and price.
28. In view of the above, the CID considered that it can be concluded that diesel and gasoline generators belong to separate market segments.
29. The CID recalled that the merging parties supply diesel generator sets, and thus, limited its relevant product market assessment in this transaction on the supply of diesel generator sets.
30. The CID observed that diesel generator sets are available in a wide range of sizes, power capacities, and specifications, offering flexibility for diverse applications. The European Commission, while leaving the matter open, has previously considered defining narrower sub-markets within the diesel genset industry.¹⁵ The CID noted that the diesel generator sets market can be segmented based on power output of the generator namely, under 150 kVA, 151–1000 kVA, 1001–2500 kVA, and Over 2500 kVA.

¹³ <https://www.emsa.gen.tr/en/support/faq/what-is-the-difference-between-gasoline-generator-and-diesel-generator>, accessed on 29 October 2025.

¹⁴ <https://www.bellwoodrewinds.co.uk/diesel-generators-vs-petrol-generators-which-one-is-best/>, accessed on 29 October 2025.

¹⁵ See Case No IV/M.700 - EMERSON/CATERPILLAR, para 18.



31. The CID observed that this approach to segmenting the market allows for a more precise understanding of the structure and dynamics of the generator market. The CID recalled its previous decision in similar cases¹⁶ whereby, despite leaving the market open, it considered that diesel generator market can be segmented based on the generator's end-use sector such as generators for residential, commercial or industrial power generation purposes.
32. Notwithstanding the potential narrower market and given the insignificant presence of the parties in this market, further market segmentation is not necessary as any alternative market definition will not alter the competitive assessment with respect to the distribution of diesel generators.
33. Based on the foregoing assessment and in line with its decisional practice, the CID considered that the relevant product market was **the distribution of diesel generator sets**.¹⁷
34. As noted in the preceding paragraphs, the target is also active in the provision of after-sales services for construction and mining equipment. After-sales service refers to the support and assistance provided to customers after they have purchased a product.¹⁸ This service includes maintenance, repair, and customer support activities aimed at ensuring that machines operate efficiently throughout their lifecycle.¹⁹ For construction and mining equipment distributors such as the target, after-sales services are crucial for maintaining the performance, reliability, and longevity of machinery and customer retention.
35. The CID observed that after-sales services include essential maintenance and support services to customers with relevant information for the optimization of operations such matters as load factors, fuel consumption and machine operation status.²⁰ For example, after-sales services provided by Barloworld to its customers include Caterpillar machines related maintenance and related technical services. These services are designed to support customers throughout the lifecycle of their equipment, ensuring optimal performance and customer satisfaction.
36. The CID has previously considered after-sales service as a distinct product market.²¹, given customers are inclined to obtain after-sales services from the manufacturer or authorised distributors who typically provides these services. Manufacturers are preferred due to their access to genuine spare parts and the

¹⁶ See Case File No. CCC/ MER/01/01/2024, the 106th Meeting of the CID regarding the proposed the acquisition by Discovery Energy Holdings, L.P. of Sole Control over the Energy Business of Kohler CO.

¹⁷ Ibid.

¹⁸ <https://www.markt-pilot.com/en/glossary/after-sales-in-machine-manufacturing>, accessed on 25 October 2025.

¹⁹ Ibid.

²⁰ https://www.apec.org/docs/default-source/publications/2015/11/services-in-global-value-chains-manufacturing-related-services/toc/chapter-4-manufacturing-of-mining-and-construction-equipment.pdf?sfvrsn=1e2419da_1, accessed on 28 May 2024.

²¹ See Case File No. CCC/ MER/01/01/2024, the 106th Meeting of the CID regarding the proposed the acquisition by Discovery Energy Holdings, L.P. of Sole Control over the Energy Business of Kohler CO.



specialized tools necessary for servicing the equipment. There is also a potential for further segmentation of after-sale services for construction and mining equipment as the machineries are different. However, the CID observed that dealers, including the target, provides these services in one centre and therefore it is easy for them to switch providing either following the demand trends. Thus, in line with its decisional practice, the CID considered that after-sale service for construction and mining equipment are distinct product markets.

37. Therefore, in line with its previous decisions on similar cases and for the purpose of conducting the competitive assessment of the present case, the CID determined the relevant product markets as the:
- (a) distribution of construction equipment;**
 - (b) distribution of mining equipment;**
 - (c) distribution of diesel generator sets; and**
 - (d) provision of after-sale services for construction and mining equipment.**

Relevant Geographic Market

38. The CID considered that the geographic scope for the distribution of construction and mining equipment is likely to be at least COMESA-wide as most manufacturers and suppliers operate below the national borders and at least the Common Market.
39. The CID observed that construction and mining equipment are sourced from global manufacturers (such as Komatsu (Japan), Caterpillar (USA), Liebherr (Germany), XCMG (China)). The CID observed that Caterpillar has a global presence through its dealers over 50 African countries with a presence in nearly 150 cities in the Continent.²²
40. The CID recalled that Barloworld is the official dealer for the Cat® construction, mining and industrial machine range in eleven southern African countries namely South Africa, Lesotho, Eswatini, Namibia, Botswana, Angola, Malawi, Mozambique, Zambia and the DRC's Katanga Province.²³ The CID also noted that the target can source heavy construction and mining equipment from different global players under dealership arrangement frameworks.
41. Notwithstanding the global sourcing of equipment, the CID considered that distribution of the equipment is likely to be through dealers serving a particular region or territory, given the size of the products and the need for after-sales services. The CID considered that the Common Marke is likely to present a unique

²² <https://www.caterpillar.com/en/company/global-footprint/eame/africa.html>, accessed on 25 October 2025.

²³ <https://barloworld.com/our-business/barloworld-equipment/>, accessed on 25 October 2025.



market environment in facilitating the distribution of construction and mining equipment.

42. In view of the foregoing, for purposes of this assessment and in line with the CID's decisional practice,²⁴ the CID construed the geographic market for the distribution of construction and mining equipment as at least COMESA-wide.
43. Regarding the geographic scope for the distribution of diesel generator sets, the CID observed that manufacturers of diesel generator sets operate production facilities at selected locations worldwide and export their products to different countries across the globe. For example, the leading generator set brands actively competing on the African market, irrespective of local manufacturing or assembly presence, include Caterpillar Inc.²⁵ (USA), Cummins Inc. (USA), MTU (USA), Aska (Turkey), Himoina²⁶ (Spain), and Onis Visa²⁷ (Italy).
44. Based on the above, the CID noted that the geographic scope for the distribution of diesel generator sets is likely to be broader than national and may extend globally given that distribution of generators occur globally. However, consistency with CID's decisional practice²⁸, the relevant geographic market is considered as COMESA-wide.
45. With respect to the after-sale services market, the CID considered that the geographic scope is likely to be national as customers rely on the manufacturers' local distributors or agents for specialized after-sales services and spare parts in a timely and effective manner. Most spare parts are not available outside the equipment supplier's distribution network, and for complex or critical maintenance operations, using the distributor is necessary.
46. The CID recalled its previous decision in similar cases where it considered geographic scope for after-sale services market to be national, highlighting as it is often more efficient and competitive to rely on their local distributor of the product, even for after-sale services that can be sourced from suppliers outside their territory.²⁹ Distributors typically consider after-sales service an integral part of the heavy construction and mining equipment sales process, often providing these services at fair rates or even free of charge.
47. In view of the above and noting that the target's activities are limited to the DRC, Eswatini, Malawi, Zambia, and Zimbabwe, the CID construed the relevant

²⁴ See Case File No. CCC/ MER/04/15/2024, the 108th Meeting of the CID regarding the proposed merger involving SAMS Investment Holding Co. SRL/BV and Arioze Group Holding SA/NV.

²⁵ See <https://www.caterpillar.com/en.html>, accessed on 25 October 2025.

²⁶ See <https://www.himoina.co.uk/contact/eng.html>, accessed on 25 October 2025.

²⁷ See <https://www.visa.it/en>, accessed on 25 October 2025.

²⁸ See Case File No. CCC/ MER/01/01/2024, the 106th Meeting of the CID regarding the proposed the acquisition by Discovery Energy Holdings, L.P. of Sole Control over the Energy Business of Kohler CO.

²⁹ See Case File No. CCC/ MER/04/15/2024, the 108th Meeting of the CID regarding the proposed merger involving SAMS Investment Holding Co. SRL/BV and Arioze Group Holding SA/NV.



geographic markets for the after-sales services are construed as the DRC, Eswatini, Malawi, Zambia, and Zimbabwe.

Conclusion on Relevant Markets

48. Based on the foregoing assessment, and without prejudice to the CID’s approach in similar future cases, the relevant markets have identified as the:
- a) **distribution of construction equipment in COMESA;**
 - b) **distribution of mining equipment in COMESA;**
 - c) **distribution of diesel generator sets in COMESA; and**
 - d) **provision of after-sale services for construction and mining equipment in DRC, Eswatini, Malawi, Zambia, and Zimbabwe.**

Consideration of Substantial Lessening of Competition or “Effect” Test

Market Shares and Concentration

49. The CID observed the parties’ submission that there is no overlap between their activities in the Common Market given that the generators are distributed in different Member States, namely Kenya and Uganda in the case of NewCo and Malawi in the case of Barloworld. At a Common Market level, it may be argued that horizontal overlaps may arise because of the proposed transaction. However, such overlaps are not likely to raise any competition concerns given the low market shares at Common Market level. The proposed transaction, therefore, does not raise any horizontal competition concerns.
50. With regard to mining equipment, the CID noted that Barloworld operates in the DRC, Eswatini, Malawi, Zambia, and Zimbabwe while the acquirer operates in Kenya and Uganda. The CID considered the parties submission that Barloworld and its competitors’ estimated market shares in the broader market for the distribution of mining, earthmoving and power systems equipment market in Eswatini, Malawi, and Zambia as presented in Tables 1, 2 and 3 below.

Table 1: Estimated Market Shares of Barloworld and its competitors’ estimated market shares in the market for the distribution of mining, earthmoving and power systems equipment in Eswatini³⁰

Name of market players	Pre-merger	Post-merger
	Estimated market share%	Estimated market share%
<i>Barloworld</i>	[46-51]	[46-51]

³⁰ Confidential information claimed by merging parties.



John Deere	[18-20]	[18-20]
JCB	[13-15]	[13-15]
Cukurova	[5-7]	[5-7]
Kobelco	[5-7]	[5-7]
Komatsu	[4-6]	[4-6]
Total	100	100

51. The CID observed that the target is the dominant player in the broader market for the distribution of mining, earthmoving and power systems equipment market in Eswatini. It further noted that the market is characterized by the presence of other competitors which collectively command 50% of the market share.
52. The CID observed that the existing market structure for the distribution of mining, earthmoving and power systems equipment markets in Eswatini will not change following the implementation of the proposed transaction since the acquirer does not have market presence.

Table 2: Estimated Market Shares of Barloworld and its competitors' estimated market shares in the market for the distribution of mining, earthmoving and power systems equipment in Malawi³¹

Competitor	Pre-merger	Post-merger
	Estimated market share%	Estimated market share%
Komatsu	[19-21]	[19-21]
Doosan	[14-16]	[14-16]
Shantui	[14-16]	[14-16]
XCMG	[14-16]	[14-16]
Barloworld	[8-10]	[8-10]
JCB	[4-6]	[4-6]
Others	[19-21]	[19-21]
Total	100	100

53. The CID observed that Barloworld has an insignificant market share of [8-10]% in the distribution of mining, earthmoving and power systems equipment market in Malawi. The CID further observed that the relevant market is characterised by the presence of different global brands such as Komatsu, Doosan, Shantiu, XCMG and JCB.

³¹ Confidential information claimed by merging parties.



54. The CID noted that the proposed transaction will not result in any market share accretion and the existing market structure for mining, earthmoving and power systems equipment will remain the same post-merger as the acquirer does not have any presence in Malawi.

Table 3: Estimated Market Shares of Barloworld and its competitors' estimated market shares in the market for the distribution of mining, earthmoving and power systems equipment in Zambia³²

Competitor	Pre-merger	Post-merger
	Estimated market share%	Estimated market share%
Komatsu	[17-19]	[17-19]
Bell	[13-15]	[13-15]
Barloworld	[12-14]	[12-14]
Sandvik	[9-11]	[9-11]
Liebherr	[4-6]	[4-6]
Volvo	[4-6]	[4-6]
Others	[33-35]	[33-35]
Total	100	100

55. The CID further observed that the mining, earthmoving and power systems equipment market in Zambia is competitive. The CID noted that the market is fragmented where different global brands are competing each other. The existing market structure is unlikely to change following the implementation of the proposed transaction given that the acquirer does not have market presence in Zambia.
56. With respect to the distribution of mining, earthmoving and power systems equipment market in Zimbabwe, the CID noted the parties' submission that Barloworld has an estimated market share of [4-6]%. The CID further noted that Volvo, Komatsu, Liebherr, JBC and Hitachi were Barloworld's largest competitors in the equipment industry.
57. Regarding the mining, earthmoving and power systems equipment market in the DRC, Barloworld estimates that its market share is less than [9-11]% where Societe Jiang Motors Congo SARL, Reba Industrial Congo SARL, SMT, and Jihai SRAL among its competitors. The CID noted the parties' submission that there are many competitors of Barloworld in the equipment industry market in the DRC.

³² Confidential information claimed by merging parties.



58. Notwithstanding the relative strength of the Caterpillar brand distributed exclusively by the target, the CID considered that the acquirer was not present in these Member States, pre-merger. As a result, in the DRC, Eswatini, Malawi, Zambia and Zimbabwe, the merging parties will continue to compete with the existing other players post-merger since the transaction will not lead to a change in the existing market structure.
59. With regard to after-sales services for construction and mining equipment, the CID observed that a similar market share structure will prevail in view of the exclusivity dealerships. Having regard to the nature of the products, it appears unlikely that third-party distributors would constitute a significant competitive pressure. This notwithstanding, in the absence of pre-merger overlap in the same Member State, the CID was of the considered view that there will be no market share accretion as a result of the transaction and thus no change to the market structure.
60. Accordingly, the CID observed that the merged entity will continue to face competition from several existing major players and potential new entrants. Thus, the proposed transaction was unlikely to negatively impact competition in this market.

Determination

61. The CID therefore determined that the merger was 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 was unlikely to negatively affect trade between Member States.
62. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 10th day of November 2025

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Vipin Naugah

