

Case File No. CCCC/MER/06/29/2026

**Decision¹ of the 12th Meeting of the Panel Responsible for
Determinations Regarding the Proposed Acquisition by SII
Rail Investments GP Proprietary Limited of Traxtion
(Mauritius) Limited**

ECONOMIC SECTOR: Transport



26 September 2026

¹ In the published version of this decision, the COMESA Competition and Consumer Protection Commission has omitted or replaced information by ranges of figures or a general description, due regard was/is had to the legitimate interest of undertakings in the protection of their business secrets, pursuant to Rule 37 of the COMESA Competition and Consumer Protection Rules 2025.

The Panel Responsible for Determinations,

The Panel Responsible for Determinations (“**Panel**”) established pursuant to Regulation 20 of the COMESA Competition and Consumer Protection Regulations, 2025 (the “**Regulations**”):

Desirous of the overriding objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration as enshrined in the Treaty Establishing the Common Market for Eastern and Southern Africa (the “**Treaty**”);

Cognisant of Article 55 of the Treaty;

Having regard to the Regulations, and in particular Chapter Four thereof;

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 liberalisation and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalisation 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 20 July 2026, the COMESA Competition and Consumer Commission (the “**Commission**”) received a notification regarding the proposed acquisition by SII Rail Investments GP Proprietary Limited (“**SII Rail Investments GP**” or the “**Acquirer**”) of Traxtion (Mauritius) Limited (“**Traxtion**” or the “**Target**”), pursuant to Regulation 42(1) of the Regulations.
2. Pursuant to Regulation 47 of the Regulations, the Commission is required to determine whether or not the merger is likely to substantially lessen competition and/or is likely to significantly affect public interest in the Common Market.

The Parties

SII Rail Investments GP (the “Acquirer”)

3. SII Rail Investments GP is a private company registered under the laws of South Africa. It is an investment vehicle within the STANLIB Infrastructure Investments group (SII Rail Investments, its controlling entities, and its affiliates are herein collectively referred to as the “**Acquiring Group**”).
4. STANLIB Infrastructure Investments is an investment team within STANLIB Limited that focuses on broad-based infrastructure investments over several sectors,



including power, renewable energy, rail, roads, airports, water, storage and logistics, and digital infrastructure. The team manages the STANLIB Infrastructure Fund of Funds, which was established to provide institutional investors with a platform to invest in a diversified range of South African infrastructure projects through two infrastructure investment funds, STANLIB Infrastructure Fund I and STANLIB Infrastructure STANLIB II.

5. In the Common Market, the Acquiring Group provides:
- a) banking and financial services, including related financial services support activities, in Eswatini, Kenya, Malawi, Mauritius, Uganda and Zambia;
 - b) insurance services, including long-term and general insurance, insurance underwriting, insurance agency and brokerage services, in Kenya and Uganda;
 - c) investment and capital markets services, including investment and asset management, securities trading and brokerage, and nominee and custodial services, in Eswatini, Uganda and Zambia;
 - d) digital financial services and SME development and incubation services in Uganda;
 - e) property holding and management services in Uganda; and
 - f) foreign exchange bureau services in Malawi.

Traxtion (the “Target”)

6. Traxtion is a company registered under the laws of the Republic of Mauritius. Traxtion is active in the provision of freight rail and related logistics services and related solutions.
7. Its activities comprise:
- a) freight rail and logistics services, including the operation and management of rail systems, locomotives and rolling stock for the transportation of bulk commodities and industrial materials, as well as intermodal logistics, warehousing, loading and off-loading services;
 - b) locomotive and rolling stock leasing, including full-service leasing arrangements incorporating maintenance, repair and operational support;
 - c) maintenance, repair and overhaul services, including the maintenance, repair, refurbishment and overhaul of its own and third-party locomotives and rolling stock; and
 - d) components, technical and related support services, including the supply of OEM and aftermarket locomotive components and parts, technical and



engineering support, safety and compliance services, logistics consulting and rail-related training.

8. Traxtion's services are typically provided to customers in the mining, industrial, and bulk commodities sectors, including coal, ferrochrome and gold producers.
9. In the Common Market, the Target operates in the Democratic Republic of Congo (the "DRC"), Eswatini, Mauritius, Zambia, and Zimbabwe.

Jurisdiction of the Commission

10. Regulation 42(1) of the Regulations requires a 'notifiable merger' to be notified to the Commission prior to its implementation. Only mergers that satisfy the prescribed thresholds pursuant to Regulation 41(5) and 41(8) of the Regulations are regarded as notifiable mergers. The merger notification thresholds are prescribed under Rule 23(1) of the Rules which provides that:

Pursuant to Chapter Four of the Regulations, a merger 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 COM\$60 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 COM\$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 held assets of more than the threshold of USD60 million in the Common Market and they each held assets of more than USD10 million in the Common Market. In addition, the parties did not derive/hold more than two-thirds of their respective turnover or asset value in one and the same Member State. The Panel was thus satisfied that the transaction constituted a notifiable transaction within the meaning of Regulation 41(5) and 41(8) of the Regulations.

Details of the Merger

12. The notified transaction concerns the proposed acquisition of control by SII Rail Investments GP over Traxtion.

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 Panel is guided by the COMESA Guidelines



on Market Definition, the Commission's decisional practice and where relevant, other authorities on the subject.

14. The Panel noted no overlap in the parties' activities in the Common Market. The Panel therefore conducted the competitive assessment of the transaction based on the activities of the Target.

Freight Rail and Related Logistics Services

15. The Panel noted that freight rail services involve the transportation of bulk commodities and industrial materials through the operation and management of rail systems, locomotives and rolling stock. The Panel further noted that the Target also provides related logistics services, including intermodal logistics, warehousing, loading and off-loading, and logistics consulting and engineering services.
16. The Panel observed that freight rail transport and logistics services are distinct in nature. Freight rail services concern the physical transportation of goods by rail. The Panel noted that the nature of the goods being transported by rail may make the demand for the service distinct. For instance, the nature of the good being transported determines whether bulk cargo or intermodal freight is required. The Panel therefore considered that the broad market for freight rail may be differentiated based on the good being transported.
17. Related logistics services facilitate the movement and handling of goods by the freight rail supplier. In the present case, the Panel noted that the Target provides these services as part of an integrated freight rail and logistics offering. Given the absence of a horizontal overlap between the parties, the Panel was of the view that it is not necessary to determine whether these services constitute separate relevant product markets.
18. Accordingly, for purposes of this assessment, the Panel considered freight rail and related logistics services as one relevant product market.

Rolling Stock Leasing

19. The Panel noted that the Target provides locomotives and rolling stock to customers under leasing arrangements, including full-service leases incorporating maintenance, repair and operational support. Leasing enables customers to obtain the use of rail assets without acquiring ownership of those assets. It is therefore distinct from freight rail services, where the customer purchases the transportation service rather than access to the underlying rail assets. The Panel noted that the Committee Responsible for Initial Determinations ("CID") previously recognised that railway operators may choose to lease rolling stock rather than acquire and



own the assets, thereby obtaining use of the assets without incurring the capital expenditure associated with ownership.²

20. The Panel considered locomotive and rolling stock leasing services to constitute a separate relevant product market. In its previous decisional practice, the CID distinguished between finance and operational leases based on their different intended use and demand-side characteristics.³ Finance leases are directed towards eventual ownership of the asset, whereas operational leases provide the customer with possession and use of the asset for a specified period without transfer of ownership. The Panel noted that this distinction was therefore relevant to the substitutability of different leasing arrangements from a customer's perspective.
21. The Panel noted that the market for rolling stock leasing could also potentially be segmented according to the type of rolling stock being leased.⁴ Locomotives and wagons perform different functions within a rail operation, with locomotives providing traction and wagons being used principally for the carriage of freight. The Panel therefore considered that the functional differences between these assets could, in principle, give rise to separate markets for their leasing. In the present case, however, the Target's leasing activities involve locomotives and rolling stock, and there was no evidence before the Panel indicating that the competitive conditions for the leasing of different types of rolling stock would materially affect its determination.
22. Accordingly, the Panel considered it appropriate to assess the activities of the Target within the broader market for rolling stock leasing services. Given the absence of a horizontal overlap between the parties activities, the Panel considered that it was not necessary to further segment the market by type of rolling stock or type of lease.

Rolling Stock MRO Services

23. The Panel noted that the Target provides maintenance, repair, refurbishment and overhaul services for diesel and electric locomotives and rolling stock, including third-party equipment. These services enable rail operators and asset owners to maintain the operational condition of their rail assets and are distinct from freight rail transportation and leasing.
24. The Panel considered that the market for rolling stock MRO services could potentially be segmented according to the nature of the service provided. This included maintenance and repair of the rolling stock itself, such as preventive, corrective and heavy maintenance, overhaul and refurbishment, as well as the repair or replacement of individual components, such as engine, brake and

² Decision of the 108th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger involving Grindrod Mauritius and RailCo Africa Limited.

³ Ibid.

⁴ https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Glossary:Rolling_stock accessed on 26 September 2026



electrical components.⁵ These services may involve different technical requirements and areas of specialisation and could, in principle, constitute separate relevant product markets. In the present case, however, there was no evidence before the Panel indicating that such distinctions would materially affect the outcome of the competitive assessment. Accordingly, the Panel considered it appropriate to assess the Target's activities within the broader market for rolling stock MRO services. Given the absence of a horizontal overlap between the parties, the Panel deemed that no further segmentation of MRO services was necessary.

25. Based on the foregoing assessment, and without prejudice to the Panel's approach in similar future cases, the Panel construed the relevant product markets as the:

- i. market for freight rail and related logistics services;
- ii. market for rolling stock leasing services; and
- iii. market for rolling stock MRO services.

Relevant Geographic Market

26. The Panel noted that the COMESA 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***”.⁶

27. The Panel considered that the market for freight rail and related logistics services may be national, corridor-wide⁷ or regional⁸, depending on the extent of the relevant rail networks, established transport corridors and geographic reach of the services. In the present case, the Panel noted that the Target provides freight rail and related logistics services across Zambia, Zimbabwe and the DRC, including rail freight transportation, intermodal logistics, warehousing, and loading and off-loading services. Its operations are primarily focused on the movement of bulk commodities and industrial materials across established regional rail networks.

28. The Target's operations across the three Member States, together with the cross-border nature of its freight operations and the interconnected rail corridors through which its services are provided, indicate that competitive conditions extend beyond individual national markets. Accordingly, the Panel considered that the relevant

⁵ <https://www.strategicrevenueinsights.com/industry/mro-rolling-stock-market> accessed on 26 September 2026

⁶ Paragraph 8 of the COMESA Guidelines on Market Definition.

⁷ Decision of the 98th meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Creation of a Full-Function Joint Venture by Trafigura Group PTE Limited, Mota-Engil SGPS SPA and Vecturis S.A.

⁸ Decision of the 108th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger involving Grindrod Mauritius and RailCo Africa Limited



geographic market for freight rail and related logistics services is at least regional in scope.

29. With respect to rolling stock leasing, the Panel noted that the Target provides locomotives and rolling stock to customers across the DRC, Zambia, and Zimbabwe. The Panel noted previous decisional practice of the CID which found that the geographic market for the supply of operational leases for rolling stock is Africa-wide, having regard to the ability of rail operators to source rolling stock from suppliers across different African markets and the mobility of rolling stock across jurisdictions.⁹ The Panel considered that the same considerations applied in the present case. Accordingly, the relevant geographic market for rolling stock leasing services was defined as Africa-wide in scope.
30. With respect to rolling stock MRO services, the Panel considered the parties' submission that the Target provides maintenance, repair, refurbishment and overhaul services for diesel and electric locomotives and rolling stock. The Panel observed that the geographic scope of MRO services is influenced by the nature of the intervention and the availability of suitable maintenance facilities. While routine maintenance is generally undertaken close to where rolling stock is deployed, specialised repair, refurbishment and overhaul can be performed at facilities serving customers across national borders, as locomotives can be transported between interconnected rail networks. In the present case, the Panel noted that the Target's broader regional rail operations and customer base support a geographic scope extending beyond a single national market. Accordingly, the Panel considered that the relevant geographic market for locomotive and rolling stock MRO services was at least regional in scope.

Conclusion on Relevant Market

31. Based on the foregoing assessment, and without prejudice to the Panel's approach in similar future cases, the relevant markets were identified as the:
- i. **supply of freight rail and related logistics services in the Common Market;**
 - ii. **supply of rolling stock leasing services in Africa; and**
 - iii. **supply of rolling stock MRO services in the Common Market.**

Consideration of Substantial Lessening of Competition or "Effect" Test

Market Shares and Concentration

32. The Panel observed that the proposed merger would not alter the market structure in the relevant markets, given the absence of overlaps in the activities of the parties. Accordingly, the Panel considered that a comprehensive assessment of market

⁹ Ibid.



concentration was not warranted, as no competitive effects were likely to arise from the transaction.

33. The above notwithstanding, the Panel considered the information available on the structure of the relevant markets and the Target's position relative to its competitors in order to understand the broader competitive landscape. Noting that reliable COMESA-specific data was not available to estimate the value or volume of the relevant service markets or to calculate reliable market shares, the Panel considered the available information for each relevant market.
34. The Panel noted that with respect to freight rail and related logistics services, the Target operates primarily in the DRC, Zambia, and Zimbabwe, alongside state-owned railway operators and private rail and logistics providers. The Panel considered that the presence of these alternative providers, and the absence of an overlap between the parties' activities, indicate that the proposed merger is unlikely to materially affect competition in this market.
35. In relation to the rolling stock leasing services, the Panel noted the parties' submission that their estimated market shares in the relevant national markets, based on the number of locomotives, are as per Table 1 below.

Table 1: Non – Confidential Estimated Market Shares

Entity	Estimated number of locomotives	Estimated market share
DRC		
SNCC (Société Nationale des Chemins de fer du Congo)	Not provided	60 - 80%
Traxtion	10 - 15	Not provided
Swala Rail Services	0 - 5	Not provided
Zambia		
Zambia Railways Ltd	Not provided	80 - 95%
Traxtion	5 - 10	Not provided
Reload Logistics	0 - 5	Not provided
African Rail & Traction Services	Not provided	Not provided
Grindrod Rail Services	Not provided	Not provided
Zimbabwe		



Entity	Estimated number of locomotives	Estimated market share
National Railways of Zimbabwe	Not provide	80 - 95%
African Railway Company (ARC)	0 - 5	Not provided
Traxtion	5 - 10	Not provided

36. The Panel noted from Table 1 above that state-owned railway operators accounted for a significant share of the national markets. Specifically, Zambia Railways accounted for approximately 80 - 95% of the market in Zambia, NRZ accounted for approximately 80 - 95% of the market in Zimbabwe, while SNCC accounted for approximately 60 - 80% of the market in the DRC. The markets also included other private participants, including Swala Rail Services in the DRC, Reload Logistics, African Rail & Traction Services and Grindrod Rail Services in Zambia, and African Railway Company in Zimbabwe. Against this background, Traxtion's position in these national markets is relatively small. Accordingly, the Panel considered that the proposed merger was unlikely to materially affect competition in this market.
37. With respect to rolling stock MRO services, the Panel observed that the Target's activities were limited in scale. The Panel further noted that alternative MRO capacity exists in the relevant markets, including the engineering workshops of Zambia Railways Limited and National Railways of Zimbabwe, which provide overhaul, repair and refurbishment services for locomotives and wagons. Given the absence of horizontal overlaps and the Target's limited scale of operations, the Panel considered that the proposed transaction was unlikely to alter the market structure or competitive dynamics in this market.

Determination

38. The Panel was satisfied that, pursuant to Regulation 47, the merger was not likely to substantially lessen competition in the Common Market or a substantial part of it, nor would it significantly affect public interest.
39. The Panel, therefore, approved the merger pursuant to Regulation 48 of the Regulations.

Dated this 26th day of September 2026

