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<b>MEDIA RELEASE</b>		
<b>03/07/2020</b>		
		<b>Investigation Ref: INV051</b>
<b>MEDIA RELEASE – Decision on the abandoned acquisition of the General Construction Co. Ltd by IBL Ltd.</b>		

In September 2019, The General Construction Company Ltd (hereafter referred to as “GCC”) and IBL Ltd (hereafter referred to as “IBL”) made a joint application for the guidance of the Competition Commission on the proposed acquisition of a majority stake in GCC by IBL.

IBL is a conglomerate group and public company present in various business sectors, including the construction sector. One of the subsidiaries of IBL Ltd is Manser Saxon Contracting Limited (hereafter referred to as “Manser Saxon”). Manser Saxon is a supplier of building construction works and Mechanical, Electrical and Plumbing (“MEP”). GCC is a public company and is also present in the construction sector where it is a supplier of building construction works and civil engineering construction works.

Both GCC and Manser Saxon are registered as Grade A contractors with the Construction Industry Development Board. Being registered as Grade A contractors means that they can work on large projects with value of above Rs 250 million.

The Executive Director was concerned that the transaction could have lessened competition in that:

1. It could have led to a potential leveraging of market power with respect to MEP works and building construction works by the merged entity.
2. It could have increased transparency between the markets for the supply of building construction works and MEP works in Mauritius.

In November 2019, IBL offered certain behavioural undertakings to the Competition Commission to address those competition concerns. The undertakings ensured that there will be no leveraging of market power and that sensitive information on projects will not be shared between Manser Saxon and GCC.

Following assessment of those undertakings, the Executive Director produced his Final Report of Undertakings in February 2020, recommending the Commissioners to accept the proposed undertakings.

On the 19<sup>th</sup> March 2020, the Commissioners issued their Decision (Ref: DS/0042: Proposed acquisition of The General Construction Co Ltd by IBL Ltd), whereby they determined that as per sec 63(3) of the Act,

that the behavioural undertakings satisfactorily addressed all the concerns and as such, cleared the proposed acquisition subject to the undertakings.

However, on the 15<sup>th</sup> April 2020, the parties informed the Competition Commission that due to the uncertainties created by the Covid-19 pandemic, IBL has decided not to proceed with the proposed acquisition.

Consequently, the merger situation that was reviewed by the Executive Director and cleared by the Commissioners, subject to behavioural undertakings of IBL, will not arise. Therefore, the Commissioners have issued a second decision recalling its first decision and releasing IBL from the Undertakings. [A public version of the decision is available on the website of the Competition Commission.](#)

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