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NOTIFICATION TO THE ECOWAS REGIONAL COMPETITION AUTHORITY OF THE PROPOSED ACQUISITION OF THE SOCIÉTÉ PHOCÉENNE DE PARTICIPATIONS (SPP) BY OAKVIEW CAPITAL L6 DAC AND CF BM UK HOLDINGS LTD

Purpose of the Notification

The ECOWAS Regional Competition Authority (ERCA) has received a formal notification of a proposed acquisition by a consortium composed of Oakview Capital L6 DAC and CF BM UK Holdings Ltd concerning their intention to acquire Société Phocéenne de Participations (SPP), the holding company of the Bourbon Group.

This transaction is subject to prior approval by ERCA, pursuant to Article 2(1)(a) of Regulation C/REG.23/12/21 governing merger and acquisition procedures within the ECOWAS region, and the Enabling Rule PC/REX.1/01/24 on notification thresholds. As the transaction involves economic activities in more than one ECOWAS Member State, regional notification and assessment are required.

The transaction aims to confer majority control—approximately 70.34%—of SPP and its affiliates to the Consortium.

Parties to the Transaction

- Oakview Capital L6 DAC, an Irish investment holding and asset management company ultimately controlled by Davidson Kempner Capital Management LP.
- CF BM UK Holdings Ltd, a UK-based investment holding company owned by funds managed by affiliates of Fortress Investment Group LLC.
- Target Company: Société Phocéenne de Participations (SPP), the parent entity of the Bourbon Group, a global provider of marine logistics and subsea services to the offshore energy industry.

The Bourbon Group operates in several ECOWAS countries, including Côte d'Ivoire, Ghana, Nigeria, and Senegal.

Nature and Scope of the Transaction

The proposed acquisition forms part of a broader court-supervised financial restructuring under French insolvency law. The primary objective is to stabilize and recapitalize the Bourbon Group to prevent liquidation and allow the continuation of its offshore service operations.

Key elements of the transaction include:

- A significant capital injection to restore operational continuity.
- Equitization of existing debt to alleviate the financial burden.
- Restructuring of vessel lease agreements and enhancement of governance mechanisms.
- Establishment of a restructured board of directors representing the acquirers and minority stakeholders.

Expected Outcomes

By aligning the interests of creditors, investors, and regulators, the acquisition enables Bourbon to remain a viable operator in the offshore services sector. The transaction exemplifies cross-border cooperation in preserving industrial capacity and regional economic integration.

The acquisition is intended to:

- Prevent the liquidation and market exit of Bourbon Group, which would result in job losses and service disruptions across ECOWAS markets.
- Ensure the continuity of critical offshore support services to the oil and gas sector.
- Recapitalize and restructure Bourbon Group, positioning it for sustainable growth and potential future public offering.

- Protect employment and maintain economic stability in countries where Bourbon is operational.

Third Party Rights

In accordance with Article 44(2)(a)(iv) of the *ERCA's Investigation and Notification Manual of Procedures*, interested third parties are invited to submit their comments within thirty (30) days from the date of publication of this notice.

Submissions must be supported by relevant documentation and sent in confidence to the following address:

ECOWAS Regional Competition Authority
(ERCA)

Bertil Harding, Bijilo, The Gambia

P.O. Box 4470

Or sent electronically to: registry@erca-arcc.org and info@erca-arcc.org

ERCA 



ECOWAS REGIONAL COMPETITION AUTHORITY
AUTORITÉ RÉGIONALE DE LA CONCURRENCE DE LA CEDEAO
AUTORIDADE RÉGIONAL DA CONCORRÊNCIA DA CEDEAO

**DECISION EC/D.07/06/25 OF THE COUNCIL OF THE ECOWAS REGIONAL
COMPETITION AUTHORITY CONCERNING THE ACQUISITION OF SGMT BY
THE AVOS GROUP**

The Council of the ECOWAS Regional Competition Authority,

MINDFUL of Supplementary Act A/SA.1/12/08 adopting of Community Competition Rules and the modalities of their application within ECOWAS;

MINDFUL of Supplementary Act A/SA.2/12/08 on the establishment, functions and operation of the ECOWAS Regional Competition Authority (ERCA);

MINDFUL of Supplementary Act A/SA.3/12/21 amending Supplementary Act A/SA.2/12/08 on the establishment, powers and functioning of ERCA;

MINDFUL of Regulation C/REG.21/12/21 on the powers and composition of the Council of ERCA;

MINDFUL of Regulation C/REG.23/12/21 on the rules of procedure for mergers and acquisitions in ECOWAS;

MINDFUL of Regulation C/REG.24/12/21 on ERCA's rules of procedure in competition matters;

MINDFUL of Enabling Rule PC/REX.1/01/24 on the Procedural Manuals of ERCA relating to its Council, in its Article 12 (3.d);

MINDFUL of the notification letter from AVOS Group and SGMT dated 22 January 2025 and the supporting documents registered under number 964;

HAVING HEARD the Secretary of the Council during its session of 30 June 2025 on the facts, the procedures and the findings of the proposed acquisition;

CONSIDERING THE FOLLOWING:

I. FACTS AND PROCEDURE

I.1 The notification

1. The ECOWAS Competition Authority (ERCA) notified by a letter dated 22 January 2025 and supporting documents registered under number 964, from AVOS Group of its intended acquisition of the Société des Grands Moulins du Togo (SGMT).

2. In accordance with Article 2 (1.d) of Regulation C/REG.23/12/21 and subsequent texts, the notification of the acquisition was published in the Official Journal of the Community (Volume 3, April 2025), on the websites of ERCA and the ECOWAS Commission, and in the concerned Member States (29 April 2025).

I.2. The Acquisition Operation

3. The proposed transaction notified to ERCA is the acquisition of 68.75% of the share capital of SGMT by the AVOS Group, a regional agro-industrial actor operating mainly in Côte d'Ivoire (milling and distribution) Ghana (distribution) , and Guinea, Togo, and Senegal (distribution of by- products).
4. The acquisition is the transfer of shares by SOMDIA (Seller) to AVOS Group, that would allow AVOS to take control of SGMT. Given that both groups operate in at least more than two ECOWAS Member States (Togo, Côte d'Ivoire, Benin, Senegal, etc.), the transaction falls under the scope of Regulation C/REG.23/12/21.
5. The acquisition aims to strengthen regional integration of agro-food value chains, particularly in wheat processing. AVOS Group is expanding its industrial and port presence by integrating SGMT.

II. ANALYSIS OF THE IMPACT OF THE TRANSACTION ON THE MARKET

II.1 Overview of Market Structure

6. The wheat flour market in Togo is highly concentrated, with SGMT holding a very significant market share compared to its competitors SMMT and independent importers. The Herfindahl-Hirschman Index (HHI) stands at 5,950, indicating high concentration. In Côte d'Ivoire, market concentration is more moderate (HHI: 3,550), with several active players including LMCI, a subsidiary of AVOS Group, MMCI, GMA, etc.

II.2 Information on Regional Activity

7. SGMT processes imported wheat at the Port of Lomé and primarily serves the national market. However, its regional exports are to Benin which is marginal. LMCI in Côte d'Ivoire also produces flour and by-products used in poultry farming through SIPRA. The proposed transaction allows AVOS to develop its regional industrial base, enhancing integration between Côte d'Ivoire and Togo.

II.3 Market Share

8. SGMT holds a significant share of the flour market in Togo, while LMCI has a relatively small share in Côte d'Ivoire. There is no direct horizontal overlap between the entities' activities in the same national market.

II.4 Main Competitors

9. In Togo, SMMT is SGMT's main competitor while in Côte d'Ivoire, major players include MMCI, GMA, and SEMAO. Despite some concentration, the Ivorian market remains relatively competitive due to price regulation on essential goods and a diversity of operators.

II.5 Sector Regulation

10. The sector is governed by national regulations that imposed price caps and also ensure adherence to, sanitary standards. The regional standards are in place through community mechanisms for promotion of intra ECOWAS trade. ERCA is competent for cross-border operations, as provided by ECOWAS law.

II.6 Definition of the Relevant Market

a. Product Market

11. The product market is wheat flour, a basic food product, along with its by-products (wheat bran). It is distinct from other types of flour (such as maize, cassava) due to different usage, demand and supply structures, and regulatory frameworks.

b. Geographic Market

12. Primarily, SGMT operates in Togo and LMCI in Côte d'Ivoire for milling and distribution, both have regional interconnections within ECOWAS region. The geographical market for the purpose of this proposed transaction is therefore the regional market for wheat flour and by-products.

III. CONCLUSION

III.1 Legal Analysis

a. Applicable Legal Framework

13. The legal framework for the control of mergers and acquisitions within ECOWAS is based on two fundamental texts:

- Supplementary Act A/SA.1/12/08 of 19 December 2008, on Community Competition Rules;
- Regulation C/REG.23/12/21 of 10 December 2021, on mergers and acquisitions within ECOWAS.

14. The evaluation follows the modalities set out in implementing instruments, particularly the Implementing Regulation PC/REX.1/01/24 and the Guidelines on mergers and acquisitions.

15. According to the above provisions, ERCA is competent to examine any merger or acquisition that:

- is likely to have anti-competitive effects in one or more Member States;
- may affect trade or investment between ECOWAS Member States;

- involves companies operating in more than one Member State within the common market.

16. These provisions aim to prevent any merger or acquisition from hindering, restricting or distorting competition within the common market, or harming intra-community trade and consumer welfare.

b. Admissibility of the Notification

17. The notification submitted by the parties was assessed based on established legal criteria. The following conditions were met:

- Both parties (AVOS Group and SGMT) operate in at least two ECOWAS Member States;
- Their combined turnover within the common market exceeds 20 million Units of Account (UA).

18. These conditions being fulfilled, ERCA has jurisdiction to review the transaction due to:

- its cross-border nature;
- the turnover thresholds being exceeded;
- its potential effects on regional competition.

III.2. Competitive Market Situation

19. The competition analysis reveals the following:

- No immediate impact on market structure in Togo.
- No immediate horizontal overlap between the merging entities;
- Concentration risks are mitigated by the presence of competitors;
- Potential for regional industrial synergies (logistics, quality, supply);
- Anticipated benefits in terms of prices, availability, and food sovereignty.

20. Some concerns were expressed by competitors and consumers regarding potential dominance, and more importantly from the findings of the evaluation:

- The concern on possible foreclosure in the downstream (potential impact of the proposed transaction on competitors and other actors in the distribution market);
- Risk of further concentration of the wheat market;

21. However, the Council considered the concerns and concluded that they are would not lead to a substantial reduction of competition in the relevant market and recommended post-acquisition monitoring of the transaction.

THEREFORE, the Council endorses the evaluation by the ERCA Executive Directorate, which demonstrates that the transaction is not likely to result to a substantial reduction of competition, and

DECIDES

Article 1 : Approval

The acquisition of SGMT by AVOS Group is approved unconditionally.

Article 2 : Compliance with Community Trade Provisions

The post-acquisition strategy of SGMT must comply with the Community Competition rules and related trade rules governing the ECOWAS common market and contribute to the objectives of regional economic integration.

Article 3 : Post-Transaction Monitoring

The Executive Directorate of ERCA is tasked with post-transaction monitoring to prevent potential adverse effects of the acquisition on regional competition dynamics, particularly regarding excessive market concentration or abuse of dominant position.

Article 4 : Entry into Force, Notification and Publication

This Decision enters into force on the date of its signature. It shall be notified to the parties and published in the Official Journal of the Community.

Done in Banjul, this day of 30 June 2025.

FOR THE ERCA COUNCIL

Dr. Juliette TWUMASI-ANOKYE

THE CHAIRPERSON

