

Based on several reported information concerning an attempted merger agreement between the two main competitors in the ridesharing market in Egypt, Uber Group and Careem Group; and in light of Article 5 of the law that states “the provisions of this law are enforceable on acts committed abroad if it is likely to lead to the prevention, or the restriction or a harm to the freedom of competition in Egypt and which may represent an infringement to the provisions of the law”; and according to Article 1 of the law that states “the exercise of economic activity shall be conducted in a way that does not prevent, or restrict or harm the freedom of competition according to the provision of the law”;

The ECA sent official notice and request of information to both entities in order to verify the previous reported news. The replies from both entities denied the conclusion of any agreement having the purpose of change or the acquisition of corporate control. The Authority is however aware that this in itself does not mean the absence of current negotiations between both entities.

In light of all the above, and given the anticompetitive risks that may ensue from such agreement, the ECA conducted a preliminary market assessment of market conditions and communicated those findings to both entities. In particular, such an agreement will likely lead to serious and irreparable harm to competition and consumers.

As such, the ECA notified both entities that any contracts or agreements between competing undertakings, regardless of their nature, having the object or the effect the elimination or the restriction of effective competition, and that may take the form of a change in corporate control or transfer of ownership inside or outside Egypt, must be notified and examined by the Authority prior to their conclusion in accordance to Article 6 paragraph 1 and Article 6 paragraph 2 of the Egyptian competition law.

In parallel, the ECA shared its concerns with the COMESA Competition Commission as the reported behavior may have an appreciable effect on trade between member States.

The ECA is keeping a close eye on the developments pertaining to similar practices in other jurisdictions, in particular the recent decision of the Competition and Consumer Commission of Singapore (“CCCS”) in relation to a merger agreement between Uber and its main competitor Grab that substantially lessened competition and led to increased prices on the market place.