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27 September, 2016

**Negotiated agreement sees conditional approval for Coty and P&G**

The Competition Tribunal has conditionally approved the merger of Coty and P&G (Procter and Gamble), both large suppliers of international hair and beauty products, after an agreement was reached between the Competition Commission, Third Party Service Providers (distributors) and the merging companies.

Coty and P&G companies brought an application before the Tribunal on 17 August 2016 for consideration of the decision of the Commission with regard to the conditions the Commission had imposed with regards to the merger.

The Commission had found that the merger was likely to raise significant public interest concerns relating to 238 employees belonging distributors should the merging companies internalise certain functions currently being performed by these Service Providers.

Following discussions between the Commission, the merging parties and Third Party Service providers it was agreed that the merging parties would continue to utilise the services of the providers for a specified period after the approval date on terms and conditions that are no less favourable than the terms and conditions currently in force.

In an order released on 8 September, the merging parties agreed that should they decide to internalise any of the functions currently undertaken by the Third Party Service Providers following the expiration date of the agreement, the merging parties will make offers of employment first to the retrenched employees of the Service Provider for any vacant positions which may arise.

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