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M.11113 - SADCO / DPDHL / JV

SECTION 1.2

Description of the concentration

On 6 June 2023, the European Commission received a notification of a proposed concentration pursuant to Articles 3(1)(b) and 3(4) of Council Regulation (EC) 139/2004 involving the establishment of a joint venture, to be jointly controlled by Saudi Aramco Development Company (SADCO) and Deutsche Post AG, via Exel Investments Netherlands BV (Exel), through the ownership of shares in the proposed joint venture company

- SADCO is a wholly owned subsidiary of Saudi Arabian Oil Company (Saudi Aramco). Both SADCO and Saudi Aramco are registered in the Kingdom of Saudi Arabia. Saudi Aramco is primarily engaged in prospecting, exploring, drilling and extracting hydrocarbon substances and processing, manufacturing, refining and marketing these substances.

- Exel is a holding company and an indirectly wholly owned subsidiary of Deutsche Post AG, the German parent entity of Deutsche Post DHL Group (together with direct and indirect subsidiaries, DPDHL). DPDHL is a global logistics group. It operates in over 220 countries and territories and employs approximately 570,000 people. DPDHL operates under two brands (Deutsche Post and DHL). The seat of establishment of Exel (as well as its direct owner Exel Holdings (Netherlands 2) B.V.) is located in the Netherlands, whereas the seats of establishment of Deutsche Post AG and Deutsche Post DHL Group are located in Germany.

- The newly created joint venture company will be a full-function company established in the Kingdom of Saudi Arabia. It will engage in the provision of procurement and logistics services including (i) storage and warehouse management and optimization, (ii) procurement of inventory items on behalf of customers, (iii) inventory and transportation management and optimization, etc. The proposed joint venture will, inter alia, (i) develop, operate, and maintain relevant facilities, (ii) market, develop, sell and provide its services, and (iii) conduct research and development activities. The proposed joint venture intends to provide complex services, covering the entire procurement and logistics process, to all of its potential customers located in Saudi Arabia and possibly in the wider MENA region, and will be active in the same geographic region.