



# First Conditional Clearances by the Egyptian Competition Authority

In late 2025 the Egyptian Competition Authority (ECA) for the second time granted conditional clearance for Ritter Holding AG's acquisition of OC Oerlikon Textile Holding AG via Favicone. Following its substantive review, the ECA identified potential competitive risks in the Egyptian market for certain air-jet weaving spare parts and components. Specifically, the ECA was concerned that the transaction could expand the parties' ability to and incentive for increasing prices post-acquisition. Particularly in a specialized market where alternatives may be limited. Rather than prohibiting the transaction, the ECA granted conditional clearance subject to behavioral commitments.

The ECA required the parties to:

- establish a price cap mechanism — the ECA ruled that the acquirer and target may not increase prices above a defined reference price, calculated as the lowest price charged in Egypt between 2022 and 2025 adjusted solely for inflation according to the Eurostat producer price index; and
- commit to annual reporting — the parties must report to the ECA their prices and price developments by 31 January each year.

These commitments remain in force until end of 2028.

#### *Comparison with the 2024 SEIC/SIC transaction*

A useful point of comparison is the October 2024 transaction involving the Saudi Egyptian Investment Company (SEIC) and Social Impact Capital Ltd. (SIC) in the education sector (for details on this transaction see our [client brief for reference](#)). In that case, the ECA also granted conditional clearance and required structural and

behavioral commitments to mitigate competition concerns arising from the concentration in education sector.

However, the 2024 case reflected an early phase of the newly implemented ex-ante regime. While important, the remedies were more general in nature and focused on safeguarding competitive dynamics within a sensitive sector (education). The Ritter/Oerlikon decision demonstrates a development in the Authority's assessment methodology and practice.

#### *More economically structured remedies*

In the Ritter/Oerlikon decision, the ECA introduced more economically calibrated remedy. The conditions imposed are precise, measurable, and grounded in economic data as opposed to the more general and ambiguous remedies imposed in the SEIC/SIC decision. Specifically, the ECA in modeling price restrictions took historical pricing benchmarks as a basis and considered possible reasonable impacts on prices over time. In contrast, in the SEIC/SIC decision the ECA relied on a more ambiguous limit of requiring "fair" pricing.

With the approach taken in the Ritter/Oerlikon case the ECA established an objectively defined limit on prices, removing uncertainty introduced with the commitment to "fair" pricing used in the earlier case. Furthermore, to account for increases in costs over time why limiting price increases to reasonable measures, the ECA allowed price adjustments only in reference to an objective inflation measure: the Eurostat Producer Price Index. It can be debated whether general inflation is the most suitable factor to based price increases on. Still, by abandoning the reference to an ambiguous concept such as "fair" pricing in favor of an objective factor, the ECA ensured that permissibility of price increases can be effectively assessed, and prices remain largely predictable.

Finally, the remedy includes a multi-year monitoring mechanism, requiring the parties that

Was missing from the SEIC/SIC decision. Compelling the parties in the Ritter/Oerlikon case to report prices to the ECA annually until the end of 2028, allows the Authority to monitor compliance over time. Altogether, this approach represents a more measured and quantitatively precise approach to behavioral remedy, reflecting a clear evolution in the ECA's merger control practice toward.

#### *Enhanced predictive analysis*

In the Ritter/Oerlikon case, the ECA focused on forward-looking risks rather than immediate harm, specifically the possibility that the parties could raise prices in the future. This reflects a shift toward effects-based analysis, where the Authority assesses both the incentives and the ability of a company to exercise market power, relying more on economic reasoning and market dynamics rather than just structural measures like market share or concentration.

#### *Stronger monitoring framework*

The annual reporting requirement until 2028 signals that the ECA is increasingly comfortable with ongoing oversight mechanisms. This reflects growing institutional confidence and enforcement capacity under the new regime.

#### *Overall development in the ECA's approach*

The progression from the SEIC/SIC case to the Ritter/Oerlikon case reflects a clear evolution in the ECA's merger control approach. Over this period, the ECA has demonstrated a maturation of its processes, applying more rigorous economic analysis and market assessment. Remedies have become more sophisticated, targeted, and enforceable, addressing specific competition concerns such as unilateral pricing risks with greater precision. At the same time, the Authority is adopting a proportionate and tailored intervention strategy, balancing the need to prevent anti-competitive outcomes with a

pragmatic approach that allows transactions to proceed while ensuring measurable safeguards for market competition. The 2024 SEIC/SIC case marked an important development as the first conditional clearance under Egypt's new pre-closing regime. Still, the 2025 Ritter/Oerlikon decision demonstrates a clear evolution in analytical depth and remedial sophistication.

The Ritter/Oerlikon case confirms that the ECA is developing into a more economically driven and technically structured merger control authority, capable of imposing forward-looking behavioral remedies with defined benchmarks and long-term monitoring obligations. This development signals to businesses that merger review in Egypt is becoming increasingly rigorous, data-driven, and strategically consequential.



## Carmen Aziz

### Associate

Carmen.aziz@bremerlf.com

Carmen is an associate of the region law firm BREMER and part of the firms Antitrust & Merger Control team. She advises international corporates and PE firms on antitrust matters and merger control review under Egyptian law as well as the laws of other MENA jurisdictions. She works in English, French and Arabic languages.



## NICOLAS BREMER

### Partner

nicolas.bremer@bremerlf.com

Nicolas is a partner and attorney with the regional law firm BREMER where he heads the firm's Antitrust & Merger Control team. He oversees the firm's Riyadh and Cairo representations and has extensive experience in advising international and domestic clients on merger control and antitrust matters in Saudi Arabia, Kuwait, Egypt and the wider MENA Region. He works in English, Arabic and German language.