

Saudi Arabian Ma'aden To Acquire 85% In Mauritius-based company

Saudi Arabian Mining Company, Ma'aden, is set to make its first international acquisition by taking over an 85% stake in Mauritius-based fertilizer distribution company Meridian Group.

Meridian Group distributes approximately half-a-million tons of fertilizer through its network of granulation and blending plants, warehousing complexes and port facilities.

The African-based company has 3,000 staff and a network of operations across southern Africa, from Malawi to Mozambique, Zimbabwe and Zambia.

According to Ma'aden, the all-cash deal is due to be completed by September for an undisclosed fee. Meanwhile, the Saudi global mining giant is planning to acquire the remaining 15% of Meridian's equity over four years on agreed terms linked to the performance of the African company.

The acquisition comes in line with Ma'aden's Strategy 2025, which includes expanding operations in Saudi Arabia and growing sales globally. "This acquisition marks a very important step in Ma'aden's strategy to build global distribution channels for our fertilizer products," said Darren Davis, President and Chief Executive Officer of Ma'aden.

The southeast African market is witnessing increased demand for phosphate fertilizers that industry analysts expect to continue growing by 5% annually over the next decade, fueled by population growth and increasing education in the use of fertilizers.

Ma'aden is one of the Middle East's largest phosphate producers, with majority joint-venture interests in large-scale fully-integrated phosphate complexes in Ras Al Khair Industrial City and Wa'ad Al Shamal Industrial City, with a combined production capacity of 6.15 million metric tons of phosphate fertilizers.

In late 2018, Ma'aden initiated its third large-scale phosphate fertilizer project, which when completed will increase capacity by three million metric tons.

"This transaction will provide us with logistics advantages in Southeast Africa, and greater knowledge of on-the-ground customer requirements, both of which will be instrumental in better serving our customers.", commented Hassan Al-Ali, Senior Vice President for Phosphate at Ma'aden.

Ma'aden has generated revenues of \$3.8 billion in 2018 compared to \$3.2 billion in 2017, due to the increase in the average realized prices of ammonium phosphate fertilizer, ammonia, aluminum and alumina.

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