



Kang'ombe House, 5th Floor-West Wing
P.O. Box 30742
Lilongwe 3, Malawi
Tel: +265 (0) 1772466
Email- compcom@comesa.int



Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 28 of 2017

Notice of Inquiry into the Merger involving Distell International Holdings Limited and Kwa Holdings E.A. Limited

It is hereby notified in terms of Article 26(6) of the COMESA Competition Regulations (the “**Regulations**”) that the COMESA Competition Commission (the “**Commission**”), after receiving a notification in terms of Article 24 of the Regulations regarding the merger involving Distell International Holdings Limited (“**DIH**”) as the primary acquiring firm and Kwa Holdings E.A. Limited (“**KHEAL**”) as the primary target firm, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that the transaction constitutes the acquisition by DIH, a wholly-owned subsidiary of Distell Group Limited (“**Distell Group**”), of 26.43% of the issued share capital in KHEAL (the “**Transaction**”). Prior to the implementation of the Transaction, Distell Group held an existing 26% interest in the issued share capital of KHEAL through its wholly-owned subsidiary, Distell Limited (“**Distell**”). Accordingly, the implementation of the Transaction resulted in Distell Group acquiring sole control of KHEAL through its two wholly owned subsidiaries.

The parties have submitted that the acquiring undertaking, DIH is a newly incorporated entity which is wholly owned by Distell Group. Distell Group is, in turn, controlled by Remgro-Capevin Investments Proprietary Limited which is itself jointly controlled by Remgro International Holdings Proprietary Limited (“**RIH**”) and Capevin Holdings Limited (“**Capevin**”). RIH is controlled by Remgro Limited.

Distell is a producer and marketer of wines, spirits (i.e. brandy, white spirits, whisky and rum), ciders and other ready-to-drink (“**RTD**”) beverages. Distell has a presence in or operates in the following COMESA Member States: Comoros, Madagascar, Mauritius, Seychelles, Burundi, Ethiopia, Kenya, Rwanda, Uganda, Zambia, Democratic Republic of Congo, Swaziland, Malawi and Zimbabwe.

Remgro is an investment holding company that does not sell any products or provide any services. Remgro holds a number of strategic interests in a range of companies that operate across a broad spectrum of industries, which include banking, healthcare, insurance, industrial, infrastructure, media, sport, food, liquor and home care. The companies which Remgro controls operate in the following COMESA Member States: Kenya, Rwanda, Uganda, Zambia, Democratic Republic of Congo, Swaziland, Malawi and Zimbabwe.

Capevin is an investment holding company that holds, as its sole asset, an indirect investment in Distell Group. DIH's main business activity is to act as an investment holding company for a select number of Distell's international operating companies.

The parties have further submitted that the target undertaking, KHEAL is a holding company and the main activities of its subsidiary, Kenya Wine Agencies Limited are the production, importation and distribution of alcoholic and non-alcoholic beverages in Kenya and Eastern Africa.

The Commission will, in accordance with the provisions of the Regulations, determine among other things whether or not the merger is likely to substantially prevent or lessen competition within the Common Market and whether the merger is or would be contrary to the public interest as provided for under Article 26 of the Regulations. In view of this, the Commission hereby gives notice to all interested stakeholders, including competitors, suppliers and customers of the merging parties to submit written representations to the Commission with regard to the subject matter of the proposed inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than **21st November 2017**.

If you wish to seek further details and/or clarifications on any aspect of this proposed transaction or need assistance you may get in touch with **Ms. Sandya Booluck, Economist, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or sbooluck@comesa.int.

All written representations submitted to the Commission will be treated with the strictest confidentiality and will only be used for the purpose of this inquiry.

31st October 2017