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Common Market for Eastern
and Southern Africa

CCC Merger Inquiry Notice No. 29 of 2018

Notice of Inquiry into the Proposed Merger involving Vamara Group Limited and Elite Global Holding PTE 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 proposed merger involving Vamara Group Limited (“**Vamara**”) as the acquiring firm and Elite Global Holding PTE Limited (“**Elite Global**”) as the target firm, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties have submitted that Vamara is a wholly-owned subsidiary of the Export Trading Group (the “**ETG Group**”) and the holding company of the ETG Group's branded fast-moving consumer goods business division. Its branded product portfolio of fast-moving consumer goods includes: animal nutrition; flour and instant breakfast cereals; long-life dairy; edible oils; laundry soap, powder and detergents; maize meal; pasta, noodles and rice; pulses; savoury snacks; spreads; canned ingredients and condiments; extruded soya pieces; and powdered beverages. In COMESA, the ETG Group has operations in Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Uganda, Zambia, and Zimbabwe.

Relevant for purposes of this merger notification are the business activities of Pure Oil Industries Private Limited (Registration Number 5472/2012) (“**Pure Oil**”) (an undertaking within the ETG Group). Pure Oil's primary business is the manufacture and supply of edible cooking oil in Zimbabwe's oil seed extraction sector. Ancillary to its primary business activities, Pure Oil manufactures green bar laundry soap from by-products derived from the cooking oil production process at its soap production facility in Zimbabwe.

The parties have submitted that Elite Global is the holding company of Candlex Limited (Registration Number 2345) (“**Candlex**”) and Aspirants Plastics Converters Limited (Registration Number 6607) (“**Aspirants Plastics**”). Relevant for purposes of this merger notification are the business activities of Candlex. Candlex's primary business is the manufacture and supply of affordable branded home and personal care products in Malawi. In Malawi, Candlex manufactures and supplies wax products (being candles and floor polish), laundry soap and powder, toilet soap, petroleum jelly, glycerine and lotion. Ancillary to its primary manufacturing and distribution activities in Malawi, Candlex also sells on a small-

scale toilet soap to a third-party trader who, in turn, on-sells to distributors in Zambia in the Common Market, and similarly, Candlex sells petroleum jelly to third-party traders who, in turn, on-sell to distributors in Tanzania outside the Common Market. For sake of completeness, it is noted that Aspirant Plastics manufactures plastic bottles, and is active only in Malawi.

In terms of the notified transaction, Vamara intends to acquire direct joint control of Elite Global through an acquisition of, and subscription for shares (the “**Proposed Transaction**”) in Elite Global. Pursuant to the Proposed Transaction, Vamara will exercise joint indirect control of Candlex and Aspirants Plastics post-merger.

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 **12th October 2018**.

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.