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Common Market for Eastern
and Southern Africa

CCC/MER/05/18/2019

Decision¹ of the Sixtieth (60th) Committee Responsible for Initial Determination Regarding the Proposed Merger Involving the Acquisition of Control by Epsilon Bidco Pte Ltd of Essel Propack Limited

ECONOMIC SECTOR: Packaging

31st July 2019

¹ In the published version of this decision, some information has been omitted pursuant to Rule 73 of the COMESA Competition Rules concerning non-disclosure of business secrets and other confidential information. Where possible the information omitted has been replaced by ranges of figures or a general description.

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Information and Relevant Background

1. On 6th June 2019, the COMESA Competition Commission (the "Commission") received a notification for approval of a merger involving the acquisition of control by Epsilon Bidco Pte Ltd ("**Epsilon**") of Essel Propack Limited ("**Essel Propack**").
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (hereinafter referred to as the "Regulations"). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the proposed transaction between the parties would, or is likely to have the effect of substantially preventing or lessening competition or would be contrary to public interest in the Common Market.
3. The Committee Responsible for Initial Determination (hereinafter referred to as "the CID") established that the parties operate in more than one COMESA Member State. Further, the transaction satisfied the merger notification thresholds provided for under Rule 4 of the Rules of Determination of the Merger Notification Thresholds and Method of Calculation. This therefore means that the regional dimension requirement under Article 23(3) of the Regulations is satisfied and asserts jurisdiction on the Commission to assess the transaction.

The Parties

Epsilon (the Acquiring Undertaking)

4. Epsilon is a special purpose vehicle which was established for the purposes of the proposed transaction. Epsilon is ultimately controlled by the funds advised or managed by affiliates of the Blackstone Group L.P.(the "Blackstone Group"). The Blackstone Group's portfolio companies have operations in COMESA in a number of sectors including: [REDACTED]
5. The acquiring group has operations in the following Member States: [REDACTED]

Essel Propack (the Target Undertaking)

6. Essel Propack is the parent company of the Essel Propack Group whose headquarters is in India. Essel Propack is engaged in the business of manufacturing, marketing and selling of specialty packaging products, including laminated and co-extruded plastic tubes, caps and closures and laminates. Essel Propack's products are customized for several customer end-segments including oral, beauty and cosmetics, pharma and health, and food and home.
7. Essel Propack has operations in the following Member States: Egypt, Mauritius and Uganda.

Nature of the Transaction

8. The proposed transaction entails that Epsilon will acquire sole control over Essel Propack.

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Competition Analysis

9. The CID defined the relevant markets as follows:
 - a) The global market for the manufacture and supply of rigid packaging cosmetic products; and
 - b) The global market for the manufacture and supply of flexible packaging cosmetic products.
10. The CID observed that the proposed transaction will not result in a change in the market structure since the parties do not offer overlapping products/services in the Common Market.

Determination

11. The CID determined that the merger is not likely to substantially lessen or prevent competition in the Common Market or any substantial part of it. Consequently, the transaction is not likely to negatively affect trade between Member States. The CID therefore approved the transaction.
12. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 31st day of July, 2019



Commissioner Patrick Okilangole (Chairperson)



Commissioner Brian M. Lingela



Commissioner Thembelihle P. Dube Nee Dlamini