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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/11/26/2020

**Decision¹ of the Seventy-Forth (74th) Committee Responsible for Initial
Determination Regarding the Proposed Merger Involving Tana Protein
Foods Ltd and African Protein Holdings Limited**

ECONOMIC SECTOR: Agriculture

26th February 2021

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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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 17th November 2020, the COMESA Competition Commission (the “**Commission**”) received a notification for approval of the proposed merger involving Tana Protein Foods Ltd (“**Tana Protein**”) and African Protein Holdings Limited (“**APHL**”).
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (the “**Regulations**”). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the 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 (the “**CID**”) established that the parties operate in more than one COMESA Member State and they meet the prescribed merger notification thresholds. 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

Tana Protein

4. It was submitted that Tana Protein is a special purpose vehicle and subsidiary of Tana Africa Capital II Limited (“Tana Africa”), a Pan-African private equity fund which holds a minority stake in and directly controls AHI Mauritius, which controls a group of companies that provide medical services in Egypt. In the Common Market, Tana Protein and its affiliated companies are active in the Democratic Republic of Congo, Egypt, Ethiopia, Kenya, Mauritius, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

African Protein

5. It was submitted that African Protein is an investment holding company that indirectly owns Quality Meat Packers Limited (“QMPL”) and Anirita Poultry Farm Plc (“APFL”), which are companies registered in Kenya and engaged in the procuring, farming, hatching, breeding, processing, packaging, distributing, marketing and retailing of animal-sourced meats and related products and in producing animal feeds. Specifically, QMPL is a privately owned slaughterhouse and meat processing plant. It is a family owned business founded in 1986 and is well known for delivering value to its customers through the provision of beef, lamb, goat, poultry, and processed meat products. On the other hand, APFL is owned by the same family and it is an integrated poultry producer in Kenya. African Protein and its affiliates primarily operate in Kenya with limited exports into Democratic Republic of Congo, Rwanda, Somalia, and Sudan.

Nature of the Transaction

6. It was submitted that Tana Protein intends to acquire a minority stake in and direct control over African Protein and indirect control over Quality Meat Packers Limited and Anirita Poultry Farm PLC.

Competition Analysis

7. The CID defined the relevant product markets as follows:

- a. **The production and sale of animal protein products in the Common Market; and**
- b. **The production and distribution of animal feeds in Kenya.**

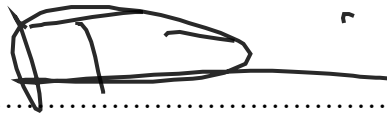
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8. The CID observed that the proposed transaction would not lead to a change in the market structure in the relevant market due to the absence of a horizontal overlap in the activities of the parties in the Common Market. It was further observed that the merged entity would remain a small player in the market since the market is characterised by numerous competitors offering similar products.

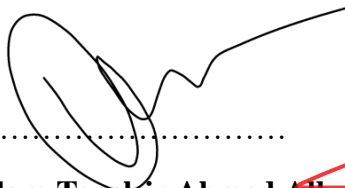
Determination

9. The CID determined that the merger was not likely to substantially lessen or prevent competition in the Common Market or any a substantial part of it. The CID further determined that the transaction was unlikely to negatively affect trade between Member States. The CID concluded that the transaction was not likely to be incompatible with the COMESA Treaty objective of full market integration. The CID therefore approved the transaction.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 26th February 2021



Commissioner Thembelihle Precious Dube née Dlamini (Chairperson)



Commissioner Islam Tagelsir Ahmed Alhasan



Commissioner Francis Lebon