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**Common Market for Eastern  
and Southern Africa**

**Case File No. CCC/MER/04/14/2020**

**Decision<sup>1</sup> of the Seventy-Fourth (74<sup>th</sup>) Committee Responsible for  
Initial Determination Regarding the Proposed Acquisition of 100%  
of the share capital of Alex Medical Investment Limited by Tana  
Africa Capital II Limited**

**ECONOMIC SECTOR: Hospital Services**

**26<sup>th</sup> February 2021**

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<sup>1</sup> 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

## Information and Relevant Background

1. On 27<sup>th</sup> October 2020, the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of the acquisition of 100% of the share capital of Alex Medical Investment Limited (“**Alex Medical**”) by Tana Africa Capital II Limited (“**Tana Africa**”).
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 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 Africa*

4. It was submitted that Tana Africa is a corporate entity of Tana Africa corporate group. The companies affiliated to the acquiring group are involved in food and agri-business in the Common Market. The acquiring group through its related parties are active in the following Member States: DRC, Egypt, Ethiopia, Mauritius, Tunisia, Sudan, Uganda, Zambia, and Zimbabwe.

### *Alex Medical and Alexandria Healthcare Investments S.A.E*

5. It was submitted that the direct target firm is Alex Medical, a company organized and existing under the laws of Mauritius with a company number 165762. Alex Medical was established in 2019 to act as a holding company for Alexandria Healthcare Investments S.A.E. (“**Alexandria Healthcare**”), a joint stock company duly established and existing under the laws of Egypt which is the indirect target company of the acquisition. Alexandria Healthcare has a controlling stake in the following businesses (collectively referred to as the “Subsidiaries”):
  - a. Mabaret Al Asafra for Medical Services S.A.E.: a company incorporated in Egypt on 3 June 1995 and involved in the provision of hospital medical services in Alexandria governorate in Egypt.
  - b. Mabaret Al Asafra Hospital - West S.A.E.: a company incorporated in Egypt on 30 July 2009 and involved in the provision of hospital medical services in Alexandria governorate in Egypt.
  - c. Mabaret Al Asafra Hospital - Middle S.A.E.: a company incorporated in Egypt on 25 November 2013, for the provision of medical and surgical services in Alexandria governorate in Egypt. The parties submitted that at the time of the notification, it was not operational.

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- d. Mabaret Al Asafra Ophthalmology S.A.E.: a company incorporated in Egypt on 12 April 2017 and involved in the provision of medical and surgical services in Alexandria governorate in Egypt.
- e. Mabaret Al Asafra Laboratories S.A.E.: a company incorporated in Egypt on 29 September 2019, for the provision of medical laboratories services in Alexandria governorate in Egypt. The parties submitted that at the time of the notification, it was not operational.
- f. Al Asafra for Medical Imaging S.A.E.: a company incorporated in Egypt on 4 December 2007 and involved in the provision of pathology and diagnostic imaging services in Alexandria governorate in Egypt.

### **Nature of the Transaction**

- 6. The notified transaction involves the proposed acquisition by Tana Africa of 100% of the share capital of Alex Medical, the direct target undertaking. Further, Alex Medical holds 25% of the share capital of Alexandria Healthcare Investments S.A.E. (“Alexandria Healthcare”), which is the indirect target company of the acquisition. In addition, the Sellers and Tana Africa reached an agreement on the sale of 10,000 shares representing 100% of the capital of Asafra Holding that held 24.9 % of the issued capital of Alexandria Healthcare to Alex Medical on 5<sup>th</sup> of October 2020. Tana Africa thus acquired 49.9% stake in the share capital of Alexandria Healthcare indirectly.

### **Competition Analysis**

- 7. The CID defined the relevant markets as follows:
  - a. Provision of in-patient hospital services and out-patient hospital services in the Alexandria governorate in Egypt;
  - b. Provision of laboratory services in the Alexandria governorate in Egypt;
  - c. Provision of medical imaging services in the Alexandria governorate in Egypt; and
  - d. Provision of ophthalmology services in the Alexandria governorate in Egypt.
- 8. The CID observed that the transaction would not result in market share accretion, due to the absence of overlaps between the activities of the acquiring group and the target pre-merger. Consequently, there would be no increase in market concentration.

### **Determination**

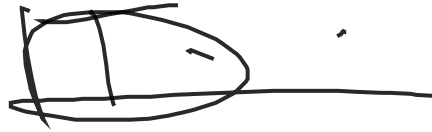
- 9. The CID determined that the merger was not likely to substantially lessen or prevent competition in the Common Market or any substantial part of it. The CID further determined that the transaction was unlikely to negatively affect trade between Member States. The CID concluded that the transaction was not incompatible with the COMESA Treaty objective of single market integration. The CID therefore approved the transaction.



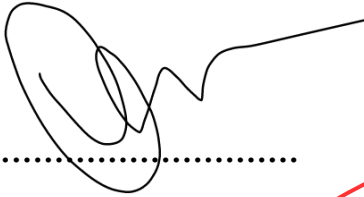
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10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 26<sup>th</sup> of February 2021



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**Commissioner Thembelihle Precious Dube née Dlamini (Chairperson)**



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**Commissioner Islam Tagelsir Ahmed Alhasan**

  
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**Commissioner Francis Lebon**