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Common Market for Eastern
and Southern Africa

25th August 2021

CCC Merger Inquiry Notice No. 24 of 2021

Notice of Inquiry into the Proposed Merger involving Tana Furniture Limited and Furniture Palace International 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 Tana Furniture Limited (“**Tana Furniture**”), and its indirect subsidiary, Furniture For Africa (“**FFA**”) as the acquiring undertakings and Furniture Palace International Limited (“**FPL**”) as the target undertaking, intends to embark on an inquiry in terms of Article 26 of the Regulations.

The proposed acquisition relates to Tana Furniture directly acquiring a 27.95% shareholding in FPL and a 27.95% shareholding through FFA (a wholly owned subsidiary of Kitea S.A which is in turn jointly controlled by Tana Furniture). The acquisitions are interdependent, in that should Tana Furniture or FFA not acquire their respective 27.95% shareholding in FPL, the other will not proceed with the acquisition. The shareholding acquired by Tana Furniture and FFA represents 55.9% of the share capital and voting rights of FPL. Tana Furniture and FFA will act in concert in relation to voting on decisions relating to FPL.

Tana Furniture and FFA are companies registered under the laws of Mauritius. The parties have submitted that the acquiring group is active in the Common Market through the following entities:

- i. Tana Africa Investment Managers Limited which offers investment advisory services exclusively to its related entities, Tana Africa Capital Limited and Tana Africa Capital II, in Mauritius;
- ii. Alexandria for Healthcare Investments which owns the majority interest in “Mabaret” hospitals and provides laboratory services through “Mabaret Asafra Labs” in Egypt;
- iii. Olam International which is a food and agri business in the Burundi, Djibouti, Democratic Republic of Congo (“**DRC**”), eSwatini, Egypt, Eritrea, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe; and

- iv. Kitea S.A which is a furniture retailer which sells furniture on an arms-length basis to independently owned customer/outlet based in DRC from its operations in Morocco. The parties submitted that whilst this customer trades under the name “Kitea”, it is neither a franchisee nor subsidiary of Kitea S.A.

The parties have submitted that the target, FPL, is a company registered under the laws of Kenya. FPL is a furniture retailer selling various categories of furniture in Kenya. In the Common Market, FPL is active in Kenya only.

The parties have submitted that the acquiring group is investing in FPL for the purpose of fostering FPL’s growth in the Common Market through developing and structuring the activity of FPL and creating synergies between the acquiring group, the existing shareholders of FPL and FPL.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether or not the Proposed Transaction is likely to substantially prevent or lessen competition within the Common Market and whether the Proposed Transaction 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 parties to the proposed transaction to submit written representations to the Commission with regard to the subject matter relating to the inquiry by emailing them to: sbooluck@comesa.int. All written representations should be sent to the Commission not later than 15th September 2021.

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, Senior Analyst, 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.