



COMESA Competition Commission

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Common Market for Eastern
and Southern Africa

6th April 2022

CCC Merger Inquiry Notice No. 19 of 2022

Notice of Inquiry into the Proposed Merger involving Coca-Cola Sabco (East Africa) Limited and Castel Malawi 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 acquisition by Coca-Cola Sabco (East Africa) Limited (“**CCSEA**”) of sole control over Castel Malawi Limited (“**Castel Malawi**”) and intends to embark on an inquiry in terms of Article 26 of the Regulations.

CCSEA is a private company incorporated in accordance with the laws of Dubai and is a wholly owned subsidiary of Coca-Cola Beverages Africa Proprietary Limited (CCBA), a private company incorporated in accordance with the laws of South Africa. CCBA and its subsidiaries are bottlers authorised by The Coca-Cola Company (“**TCCC**”) to produce, distribute and sell TCCC branded non-alcoholic beverages to wholesalers and retailers who in turn sell to consumers. TCCC is a brand owner and supplier of concentrates for non-alcoholic beverages, which it sells to TCCC authorised bottling and canning companies, including authorised bottling and canning companies in the Common Market. In 2020, the Acquiring Group had operations in all Member States.

The parties have submitted that Castel Malawi is a private company incorporated in accordance with the laws of Malawi. Castel Malawi through the Target Business bottles and supplies TCCC-branded non-alcoholic ready-to-drink beverages throughout Malawi. In the Common Market, the target has operations in Malawi only.

The proposed transaction involves the proposed acquisition of sole control by CCSEA, through Coca-Cola Beverages Limited, a special purpose vehicle established for the purposes of the notified transaction, over the “soft drinks” business of Castel Malawi which operates as an authorised bottler of TCCC in Malawi.

The Commission will, in accordance with the provisions of Article 26 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.

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 of the proposed inquiry by emailing them to: akamanga@comesa.int. All written representations should be sent to the Commission not later than **25th April 2022**.

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 **Mr. Ali Kamanga, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or akamanga@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.