



**COMESA Competition Commission**

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**Common Market for Eastern  
and Southern Africa**

**Case File No. CCC/MER/12/51/2024**

**Decision<sup>1</sup> of the 116<sup>th</sup> Meeting of the Committee Responsible  
for Initial Determinations Regarding the Proposed Acquisition  
by Pepkor Lifestyle Eswatini Proprietary Limited and JD  
Home-Tech Zambia Limited of the Furniture and Credit  
Businesses of Shoprite Holdings Limited**

**ECONOMIC SECTOR: Retail**

**25 March 2025**

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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 Where possible, the information omitted has been replaced by ranges of figures or a general description.



## The Committee Responsible for Initial Determinations,

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the “**COMESA Treaty**”);

Having regard to the COMESA Competition Regulations of 2004 (the “**Regulations**”), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the “**Rules**”);

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Having regard to the COMESA Merger Assessment Guidelines of 2014;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State;

Desirous of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration;

Determines as follows:

### Introduction and Relevant Background

1. On 17 January 2025, the COMESA Competition Commission (“**Commission**”) received a notification for a merger regarding the proposed acquisition by Pepkor Lifestyle Eswatini Proprietary Limited (“**Pepkor Lifestyle Eswatini**”) and JD Home-Tech Zambia Limited (“**JD Zambia**”), or collectively the (“**acquiring group**”), of the furniture and credit business of Shoprite Holdings Limited (“**Shoprite Furniture**”), specifically Ok Bazaars (Swaziland) Proprietary Limited (“**Ok Bazaars Swaziland**”) in Eswatini and Africa Supermarkets Limited (“**Africa Supermarkets**” in Zambia, or collectively the “**target group**”), pursuant to Article 24(1) of the Regulations.
2. 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. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

## The Parties

### *Pepkor (the “acquiring group”)*

4. The parties submitted that Pepkor, a public company listed on the stock exchange operated by the JSE Limited in South Africa, is a South African-based investment and holding company.
5. The parties submitted that Pepkor commenced its operations over 100 years ago and focuses on the discount and value consumer retail and fintech markets. It has expanded its footprint over the years to include significant reach into southern Africa, as well as a limited range of other African economies. The majority of Pepkor’s retail brands operate in the discount and value market segment.
6. The parties submitted that Pepkor has a retail footprint of approximately 5,900 stores operating across nine (9) African countries and in Brazil and employs around 50,000 people. The Pepkor group provides clothing, footwear, homeware, general merchandise, cellular products, furniture, appliances, consumer electronics, building materials and financial services in Angola, Botswana, Brazil, Lesotho, Mozambique, Malawi, Namibia, South Africa, Eswatini and Zambia.<sup>2</sup>
7. The parties submitted that the acquiring group’s business activities cover (i) Clothing, footwear and homeware; (ii) Furniture, appliances and electronics; and (iii) Fintech.

#### *(i) Clothing, footwear and homeware*

8. The parties submitted that Pepkor’s clothing and general merchandise segment includes all clothing, footwear and homeware (“CFH”) retail brands, as well as fast-moving consumer goods and cellular products and services. It comprises approximately 4,888 stores, generates approximately 67% of the group’s revenue, and contributes approximately 79% of the group’s operating profit as per the last published annual report. The retail brands in this category are presented in the Table 1 below.

**Table 1: Pepkor’s CFH Brands**

Business	Segment
PEP	Pep caters to budget conscious customers. In addition to its core CFH product range, Pep Home sells value-for-money homeware, Pep Cell provides cellular products, and Paxi parcel distribution

<sup>2</sup> <https://www.whoownswhom.co.za/report-store/pepkor-holdings-ltd/>





	service facilitates the delivery of parcels from one Pep store to another.
Ackermans (Pty) Limited	Ackermans, which includes the Ackermans Women and Ackermans Connect brands, offers value-for-money CFH products at competitive prices, along with multiple payment options.
Pepkor Specialty (Pty) Limited	Pepkor's Speciality division provides central infrastructure to launch new brands, nurture smaller brands and position new fashion and footwear acquisitions. It includes brands such as Tekkie Town (branded footwear, apparel and accessories), Dunns (men's and ladieswear, footwear, accessories, underwear and cellular lifestyle products), Refinery (casual men's and ladies' wear, as well as a select range of accessories and shoes), Shoe City (value-focused specialty footwear retailer, offering a wide range of stylish, affordable and comfortable men's, ladies' and children's footwear and accessories), Code (a proudly local, affordable menswear brand) and S.P.C.C (a retailer of men's fashion apparel, footwear and accessories).
Pep Africa	Provides affordable clothing, footwear, homeware and cellular products to customers outside of South Africa.

(ii) *Furniture, appliances and electronics*

9. The parties submitted that Pepkor Lifestyle's diversified retail businesses cater primarily to value conscious, mass-market customers and comprise six household furniture, appliances, and consumer electronics retail brands under two groupings as follows:

***Home and Tech***

10. The parties submitted that the retail brands in the furniture, appliances and electronics category supplied by the acquiring group are presented in the Table 2 below.

***Table 2: Pepkor's furniture, appliances and electronics retail brands***

<b>Brand</b>	<b>Business segment</b>
Russells	Russells sells quality furniture, appliances and electronics at affordable prices.
Bradlows	Bradlows sells a wide array of affordable furniture and appliances. Its range focuses on family living areas (including the lounge, bedroom, dining room and kitchen) and is tailored to meet individual tastes and budgets
Rochester	Rochester sells high-end, quality furniture. The brand is recognized for style, elegance, affordability, product durability and high levels of customer service. Rochester offers an extended choice of elegant



	furniture with multi-styled collections and customized products, including a wide range of leather and motion lounge suites.
Sleepmasters	Sleepmasters offers a wide range of branded beds, featuring a variety of comfort levels and sizes, as well as bed sets and bedroom furniture.
HiFi Corp	HiFi Corp offers an extensive range of value-for-money electronic audio-visual products and appliances, supported by affordable payment options.
Incredible	Incredible is a technology retailer, known for stocking a wide range of leading national and international technology brands for homes and businesses. Incredible operates through three brands, being Incredible, Incredible Connection and Incredible Cellular.

(iii) *Fintech*

11. The parties submitted that the financial services offered by Pepkor's Fintech Division are presented in Table 3 below.

**Table 3: Pepkor's financial services**

<b>Business Entity</b>	<b>Activities</b>
Tenacity Financial Services (Pty) Limited	Tenacity supports the Ackermans, PEP and Pepkor Speciality brands in terms of interoperable credit sales across brands through store cards to customers.
Connect Financial Solutions (Pty) Limited	Connect provides credit through instalment sale receivables to the furniture, appliances and electronics brands (i.e., Pepkor Lifestyle) offering flexible terms to make purchases more affordable, as well as various payment options.
Capfin SA (Pty) Limited	Capfin provides unsecured credit or short-term loan to Pepkor customers. Capfin strives to make loan applications accessible, simple and hassle-free.
Abacus Insurance	<ul style="list-style-type: none"> <li>Abacus is a niche insurer that focuses on addressing the insurance needs of Pepkor's retail customers. It provides life and non-life insurance solutions.</li> <li>It is an insurance company that offers affordable insurance products through Pepkor's retail network</li> </ul>
Flash	Flash is a technology-driven company providing hardware and applications that offer informal traders an affordable and safe payment system through which to do business in their communities.

12. The parties submitted that within the Common Market, the acquiring group, through Pep division, provides cellular products (including handsets and accessories, airtime, data, SIM, virtual products and services) and household textiles in Eswatini, Malawi, and Zambia while it also operates household furniture and appliances in Eswatini. The parties further submitted that Pepkor provides loans (shorter-term), insurance (life and non-life) products to Pepkor Lifestyle Eswatini customers where it provides insurance services through an arrangement with Eswatini Royal Insurance Corporation, wherein Pepkor acts as an agent for ESRIC to reinsure the





book back to Abacus in South Africa (which handles the claims). The parties further submitted that Pepkor, through its subsidiaries, provides financial services (including the provision of secured and unsecured credit) to Pepkor Lifestyle Eswatini customers.

***Shoprite Furniture (the “target group”)***

13. The parties submitted that the target group has a primary listing on the exchange operated by JSE Limited in South Africa, with secondary listings on the Namibian and Zambian Stock Exchanges.
14. The parties submitted that Shoprite provides homeware, furniture, electrical appliances, insurance products, and financial services to customers across various income groups in South Africa and other parts of Africa. Its furniture and electrical appliances division operates under the OK Furniture and House & Home retail brands.
15. The parties submitted that Shoprite, through Shoprite Checkers Proprietary Limited (“**Shoprite Checkers**”), operates 17 customer-facing brands. These include supermarkets, fresh produce retailers, furniture stores, cellular technology outlets, liquor stores, ticketing services, hospitality services, and pharmacies.
16. The parties further submitted that Shoprite's additional product segments include pharmaceuticals, OK Franchises, hospitality, ticketing, insurance, financial services, and cellular services. The pharmaceutical brands include MediRite, a retail pharmacy located within its supermarkets, and Transpharm, a wholesale business that distributes pharmaceutical products and surgical equipment in Eswatini, Namibia and South Africa.
17. The hospitality segment includes Red Star Wholesale, which caters to the hospitality sector and provides door-to-door consumer deliveries. The ticketing segment comprises Computicket and Computicket Travel, while Knect offers cellular services targeting low- and middle-income consumers through nine locations across South Africa.
18. The parties submitted that the furniture segment, which is relevant to the proposed transaction, consists of House & Home and OK Furniture (collectively referred to as “**Shoprite Furniture**”). OK Furniture also operates OK Power Express, which supplies electrical appliances.
19. The parties submitted the retail brands of the target group in the furniture, appliances and electronics category as presented in the Table 4 below.



**Table 4: The target group's retail brands in the furniture, appliances and electronics**

Brand	Segment
House & Home	House & Home offers an extensive range of furniture, bedding, appliances and home entertainment products, providing customers with the option to buy with cash or on credit. House & Home introduced TechX, the Shoprite group's in-store technology and cellular department, with a focus on private label small appliances.
OK Furniture	OK Furniture offers quality furniture, electrical appliances and more to middle-income communities in South Africa (and seven countries outside of South Africa).

20. In Eswatini, the target group operates in the retail supply of clothing, footwear and homeware; household furniture and appliances; and cellular products (including handsets and accessories, airtime, data, SIM, virtual products and services); and pharmaceuticals.
21. In Zambia, the target group is active in the retail supply of household furniture and appliances; and cellular products (including handsets and accessories, airtime, data, SIM, virtual products and services).
22. Financial services such as short-term credit and insurance products provided to Shoprite Furniture customers in Eswatini and Zambia:
  - a) In Eswatini, OK Bazaars Swaziland acts as an agent for ESRIC, offering short-term (non-life) and life insurance products. OK Bazaars Swaziland is responsible for canvassing, procuring, selling, and servicing these products and earns commissions on all gross premiums written. The insurance products are reinsured with Centriq Insurance Company Limited and Centriq Life Insurance Company Limited in South Africa, which also handles claims processing.
  - b) In Zambia, OK Furniture (a division of Africa Supermarkets) is appointed as an insurance agent for Mayfair Insurance Company Zambia Limited. OK Furniture sells credit insurance linked to credit agreements, collects premiums, and signs relevant documentation on behalf of Mayfair to implement coverage. It earns commissions on all premiums written. These products are also reinsured with Centriq Insurance Company Limited and Centriq Life Insurance Company Limited in South Africa, which handle claims processing.
  - c) Shoprite, through its subsidiaries, also provides financial services, including secured credit facilities, to customers of Shoprite Furniture in Eswatini and Zambia.





## Jurisdiction of the Commission

23. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") provides that:

*"Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or the target firm, operate in two or more Member States, shall be notifiable if:*

- a) the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*
  - b) the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State".*
24. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD 50 million in the Common Market and they each derived a turnover of more than USD 10 million in the Common Market. In addition, the parties do not hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The CID was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

## Details of the Merger

25. The proposed transaction entails the acquisition by Pepkor Lifestyle Eswatini in Eswatini and JD Zambia in Zambia, of Shoprite Furniture in Eswatini and Zambia.
26. Pepkor Lifestyle Eswatini will acquire the furniture and credit business of OK Bazaars Swaziland and JD Zambia will acquire the furniture and credit business of Africa Supermarkets in Zambia. The proposed transaction covers:
- (i) Pepkor Lifestyle Eswatini intends to acquire the retail furniture business of OK Bazaars Swaziland, and the claims, rights, title and interests of OK Bazaars Swaziland against the furniture business of OK Bazaars Swaziland (the Furniture Debtors Book).
  - (ii) JD Zambia intends to acquire the retail furniture business of Africa Supermarkets (the Business), and the claims, rights, title and interests of Africa Supermarkets against the furniture business of Africa Supermarkets (the Furniture Debtors Book)





27. Pepkor will also acquire Shoprite's Furniture credit loan book, related insurance arrangements, inventory, and certain fixed assets.<sup>3</sup>
28. Following the completion of the proposed transaction, Shoprite Furniture in Eswatini and Zambia will be incorporated into the Acquiring Group's furniture, bedding and plugged goods retail business (i.e., Pepkor Lifestyle), and subject to the sole, ultimate control of Pepkor.

## **Competition Analysis and Relevant Observations**

### **Consideration of the Relevant Markets**

#### ***Relevant Product Market***

29. Paragraph 7 of the Guidelines on Market Definition stipulates that a “*relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer/customer, by reason of the products’ characteristics, their prices and their intended use*”.
30. The CID observed from the parties’ submission that the acquiring group’s business activities cover (i) Clothing, footwear, homeware and household textiles; (ii) Furniture, consumer electronics and appliances; and (iii) Fintech which covers financial services (term loans) and insurance (life and non-life).
31. The CID also observed that Shoprite Furniture’s activities cover clothing, footwear and homeware; furniture; electrical and appliances; insurance products; financial services; pharmaceuticals and cellular services to its customers. Shoprite Furniture also provides credit insurance products to its customers in Eswatini and Zambia, whereby in the former, OK Bazaars Swaziland acts as an agent for Eswatini Royal Insurance Corporation for the supply of short-term (non-life) and life insurance products; and in the latter, OK Furniture is an insurance agent for Mayfair Insurance Company Zambia Limited.
32. The CID resolved not to consider the parties’ activities relating to re-insurance and credit services for the purposes of the competitive assessment, as these are not core products. Rather, they are ancillary services designed to provide guarantees and enhance customer confidence in the core furniture offerings. For example, the CID observed that the acquiring and target groups offer short-term loans and insurance products (both life and non-life) to customers of Pepkor Lifestyle Eswatini and OK Bazaars Swaziland, respectively. These insurance services are offered through arrangements with Eswatini Royal Insurance Corporation (“**ESRIC**”), with Pepkor Lifestyle Eswatini and OK Bazaars Swaziland acting as agents for ESRIC. Similarly, in Zambia, OK Furniture (a division of Africa Supermarkets) is appointed

<sup>3</sup> <https://thefounder.africa/south-africas-shoprite-to-sell-furniture-business-to-pepkor/>



as an insurance agent for Mayfair Insurance Company Zambia Limited, offering re-insurance products to its furniture customers.

33. The CID noted that the parties' activities overlap in the retail supply of clothing, footwear, homeware and household textiles; household furniture and appliances; and cellular products and services. Thus, the CID focused its assessment on these products, being specific products provided by both the acquiring and the target groups.

*The retail supply of clothing, footwear, homeware and household textiles*

34. The CID noted that this market entails the sales of clothing, footwear, homeware and household textile products directly to consumers at the retail stores. The CID observed that the parties' activities in this market are through retail stores that offer a diverse range of affordable fashion and household products. These retail outlets provide a variety of fashion items ranging from everyday wear to seasonal collections, as well as luxury clothing, shoes and accessories. Furthermore, these stores offer homeware products such as kitchenware, bedding, home décor, and other household items, catering for a broad consumer base.
35. The CID noted that, unlike specialized retailer stores that focus on a single category of products, the parties offer a comprehensive product collection that include clothing, footwear, homeware and household textiles. This diverse offering enhances the shopping experience, as customers visiting these stores benefit from the convenience of a one-stop-shopping services.
36. From a demand-side perspective, customers can purchase a variety of goods in a single visit, minimizing the need for multiple trips to different specialized stores. This convenience not only saves time but also increases the overall satisfaction of the customer. From a supply-side perspective, such retail stores distinguish themselves from specialised/niche retailer stores by offering broader product categories, which allow them to attract a wider customer base and meet various consumer needs within a single location.
37. The CID further noted the potential for sub-segmenting the market within the broader clothing, footwear and homeware market. For example, clothing can be broken down into several sub-categories, such as men's, women's and children's apparel, as well as specific items like underwear and seasonal wear. Footwear may also be segmented by gender, age group and style (such as casual, formal), while homeware encompasses various product types including kitchenware, bedding, décor and utility items. However, the CID considered that a further narrowing of the market was not necessary as this would not affect the competitive assessment of the transaction.





38. **In view of the foregoing, the CID defined the relevant product market as the market for retail supply of clothing, footwear, homeware and household textiles in retail stores.**

*The retail supply of household furniture and appliances*

39. The CID noted that furniture offering covers different product lines, including living room, bedroom, and office furniture, as well as storage solutions and décor items designed for either residential or commercial purposes. The appliances include both major (such as refrigerators, washing machines, ovens) and small (such as microwaves, vacuum cleaners, blenders) household appliances that make daily life more convenient.
40. The CID also noted that each category of furniture product serves a specific purpose and may not be interchangeable from the demand side. For example, a dining table serves a distinct function that may not be fulfilled by a door or wardrobe. The furniture market is often segmented into different product lines based on the intended use of each item. In the home furniture segment, specific products are designed for use in the kitchen, dining room, living room, and bedrooms. While these segments are distinguished by intended use and often by price range, there may be some overlap between segments.<sup>4</sup> For instance, items such as sofas, worktables, and certain types of kitchen furniture may be suitable for both home and office environments. Therefore, within these broad product lines, further sub-categories can be identified.
41. However, from a supply-side perspective, retailers, including the merging parties, typically offer a broad range of furniture products to appeal to a wider consumer base and provide a comprehensive, one-stop-shop experience. In view of the foregoing and given the limited presence of the merging parties, the CID considered that a further narrowing of the market based on product line was not necessary.
42. **In light of the above considerations and in line with the CID's previous decisional practices<sup>5</sup>, the CID defined the relevant market as the retail supply of furniture and appliances.**

*The supply of cellular products*

43. The CID recalled that the parties supply a variety of affordable cellular products, including mobile handsets, airtime, data, SIM cards, and related services through its retail stores in Eswatini and Zambia. They provide these cellular products and services to their customers, focusing on affordability and accessibility, particularly for lower to middle-income market segments.

<sup>4</sup> See paragraph 14, Case No. CCC/MER/07/20/22021, Decision of the 81<sup>st</sup> CID, Merger involving Tana Furniture Limited and Furniture Palace International, 20 February 2022.

<sup>5</sup> Ibid, para. 16.



44. The CID observed that PEP sells cellular products to its customers in Zambia.<sup>6</sup> The CID also observed that PEP acts as a reseller of airtime products, offering prepaid airtime vouchers for mobile network operators such as Airtel, MTN, and Zamtel in Zambia. Further, the parties provide prepaid data bundles, enabling customers to access mobile internet services. They also provide mobile financial services like mobile money, through their extensive network of retail stores.
45. In light of the above, the CID considered that the market for **the retail supply and sale of cellular products as a separate market.**
46. Based on the above considerations and without prejudice to its approach in similar future cases, the CID determined the relevant product markets as:
- a) **the retail supply of clothing, footwear, homeware, and household textiles,**
  - b) **the retail supply of furniture and appliances, and**
  - c) **the retail supply and sale of cellular products.**

#### **Relevant Geographic Market**

47. The Guidelines on Market Definition define the relevant geographic market as follows:
- “The relevant geographic market comprises the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas”.*
48. The CID considered that the relevant geographic market for the retail supply of clothing, footwear, homeware, and household textiles; furniture and appliances; and cellular products, is likely to be national in scope.
49. The CID observed that while there may not be supply-side restrictions preventing retailers from importing furniture and the other relevant products from overseas, demand-side factors significantly influence market boundaries. Specifically, end customers are unlikely to view retailers with a national presence and foreign retailers as interchangeable due to the costs associated with shipping, import procedures, and delivery times, all of which affect the competitiveness of the products.
50. The CID also recalled that both the acquiring and target groups were currently operating through their retail outlets in the Common Market, supplying these products in Eswatini and Zambia.

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<sup>6</sup> <https://www.pep.co.zm/category/cellular/cellphones>





51. Based on these considerations, the CID concluded that the relevant geographic scope for the retail supply of clothing, footwear, homeware, and household textiles; furniture and appliances; and cellular products was national, with the relevant markets being defined as Eswatini and Zambia, given the parties' operations within the Common Market.
52. In light of these considerations and in line with the CID's decisional practice<sup>7</sup> related to retail furniture markets, the geographic scope for the retail supply of clothing, footwear, homeware, household textiles; furniture and appliances; and cellular products was national, limited to Eswatini, and Zambia.

### ***Conclusion on Relevant Markets***

53. For the purposes of assessing the proposed transaction, and without prejudice to the CID's approach in future similar cases, the CID has defined the relevant markets as:

- (a) the retail supply of clothing, footwear, homeware and household textiles in Eswatini,**
- (b) the retail supply of furniture and appliances in Eswatini and Zambia, and**
- (c) the retail supply and sale of cellular products in Eswatini and Zambia.**

### **Consideration of Substantial Lessening of Competition or "Effect" Test**

#### ***Market Shares and Concentration***

54. The determination of market shares and concentration provides a first indication of whether a change in market structure could create or facilitate the exercise of market power. Market power is defined as the ability of a firm to profitably increase and sustain the price of a product above competitive levels or restrict output or reduce product quality independently of its competitors, customers, and consumers. The Commission is unlikely to find concern in horizontal mergers, be it of a coordinated or of a non-coordinated nature, where a merged entity's market shares is below 15% and the sum of the market shares of the top three firms is less than 70%.<sup>8</sup>

#### ***Retail supply of furniture and appliances***

55. With respect to the retail supply of furniture and appliances, the CID noted from the parties' submission that the acquiring group's estimated market share in Eswatini is 5-10%, while Shoprite Furniture holds a market share of [5-10]%.<sup>9</sup> The CID observed

<sup>7</sup> See paragraph 17, Case No. CCC/MER/07/20/22021, Decision of the 81<sup>st</sup> CID, Merger involving Tana Furniture Limited and Furniture Palace International, 20 February 2022.

<sup>8</sup> The COMESA Merger Assessment Guidelines paragraph 8.10.

<sup>9</sup> Confidentiality of information claimed by the merging parties.



that this would result in a *de minimis* market share accretion of [5-10]% post-transaction.

56. The CID noted that despite the absence of precise market share estimates for the parties' competitors in the furniture and appliances market in Eswatini, several larger competitors to the parties were identified. These include the Lewis Group (comprising Beares, Best Home & Electric, and Lewis brands), Furniture Warehouse, Lesco Furniture, Diamond Beds & Sofas, Musa Furniture, A B Furniture, On Point Kitchen and Furniture, Woodwork Africa, Hilltop Tables, Eswatini Flooring & Interiors, Luxy Interiors, MOOI MOOI Blanket and Furniture, TFG Group (Jet), Mr Price Home, and Supply Centre.
57. In relation to the Zambian market, the CID noted from the parties' submissions that the merged entity's estimated market share in the retail supply of furniture and appliances will be about [0-5]%. Further, the CID noted the submission from the Competition and Consumer Protection Commission ("CCPC") in Zambia that the Zambian furniture and appliance market is highly fragmented. There are numerous players, including Radian Stores, Sikale Décor, Bed & Pillow, Myroco Furniture, Lifestyle Centre Furniture, and Elite Furniture, among others. Further, the CID observed that informal traders contribute to the competitive dynamics in the market for the retail supply of furniture and appliances in Zambia.
58. The CID observed that, post-merger, the combined entity will hold an estimated 10-15% market share in Eswatini.<sup>10</sup> The remaining [85-90]% of the market is fragmented among various competitors. Similarly, in Zambia, the merged entity's market share will remain below █%, with the remaining █% of the market dispersed among several players. The CID considered that the furniture and appliances markets in both Eswatini and Zambia are commanded by other players where the merging parties are smaller players. Consequently, the CID considered that the proposed transaction was unlikely to result in significant market share accretion or raise competition concerns in the relevant markets.

*Retail supply of clothing, footwear, homeware and household textiles*

59. With respect to the household textiles market in Eswatini, the CID noted the parties' submission that the acquiring group has an estimated market share of [10-15]%, while the target group accounts for less than [0-5]%.<sup>11</sup> As a result, the proposed transaction would lead to a *de minimis* market share accretion of less than [0-5]%. The CID observed that absence of the market shares of the parties competitors in the household textiles market in Eswatini, there are several major competitors active in the broader clothing, footwear, homeware, and household textiles market, including Lewis Group (comprising Beares, Best Home & Electric, and Lewis

<sup>10</sup> Confidentiality of information claimed by the merging parties.

<sup>11</sup> Confidentiality of information claimed by the merging parties.





brands), Furniture Warehouse, Lesco Furniture, Diamond Beds & Sofas, Musa Furniture, A B Furniture, Eswatini Flooring & Interiors, MOOI MOOI Blanket and Furniture, TFG Group (Jet), and Mr Price Home.

60. The CID noted that the merging parties' combined presence in the clothing, footwear, homeware, and household textiles market in Eswatini is limited, resulting in a total market share accretion of less than [0-5]%. Furthermore, the market was characterized by the presence of several established competitors, with whom the merged entity would continue to compete post-merger.
61. The CID considered that neither Pepkor Lifestyle nor Shoprite Furniture is a significant player in the clothing, footwear, homeware, and household textiles market in Eswatini. The transaction would give rise to a negligible market share accretion, less than [0-5]%, and the merged entity would continue to face competition from a number of well-established market participants.

*Retail supply and sale of cellular products*

62. With regard to the cellular products market, the CID observed from the parties' submission that their presence in Eswatini and Zambia is small. In Eswatini, the acquiring group has an estimated market share of [0-5]% and Shoprite Furniture has [0-5]%, leading to a de minimus market share accretion of [0-5]%. In Zambia, the acquiring group (through its Pep division) has an estimated market share of [0-5]% while Shoprite Furniture has less than [0-5]% market share leading to a *de minimis* market share accretion of less than [0-5]%. While indicating that they are unable to provide specific market share estimates for their competitors in the relevant market, the merging parties have submitted that MTN Eswatini, Eswatini Mobile, Jet, Adil Mobile Shop, Protech, Slevu, iFix, Netcomm i-Shop, Discount Cellular, and Celltronix are the major competitors in Eswatini. The parties further submitted that MTN Zambia, iStore Zambia, Game Zambia, Radian, Mobile City Phones Paradise, and Connectivity Edge are the major competitors in Zambia.
63. The CID observed that the proposed transaction will result in insignificant market share accretion of [0-5]% and less than [0-5]% both in Eswatini and Zambia, respectively. Further, the CID noted that above [REDACTED] % market share of the relevant market in both Eswatini and Zambia is controlled by other competitors. From this, the CID concluded that the proposed transaction was unlikely to result in insignificant change in the existing market structure in both Eswatini and Zambia, being Member States in which the parties operate.
64. The CID noted that the markets in which the parties operate are competitive and include a large number of retailers that offer products similar to those of the target and acquiring groups. The parties also submitted that alongside the big national retail chains, there are a larger number of smaller national retail chains and independent retailers which will materially constrain the merged entity post-merger



in Eswatini and Zambia. The parties further submitted that online retail in the relevant markets also presents a dynamic, real and increasing competitive constraint on them through a multitude of brands

65. Based on these findings in the preceding paragraphs, the CID considered that the transaction was not expected to significantly affect the market structure in the relevant markets.
66. The CID further noted that the merged entity would continue to face competitive pressure from the existing competitors.

### **Consideration of Third-Party Views**

67. In arriving at its determination, the CID also considered submissions from the national competition authorities of Malawi and Zambia which confirmed the absence of competition and public interest concerns.

### **Determination**

68. The CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.
69. The CID, therefore, approved the transaction.
70. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 25<sup>th</sup> day of March 2025

**Commissioner Dr Mahmoud Momtaz (Chairperson)**

**Commissioner Lloyds Vincent Nkhoma**

**Commissioner Vipin Naugah**

