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Common Market for Eastern
and Southern Africa

Case File No. CCC/MER/08/31/2019

Decision¹ of the Sixty-Seventh (67th) Committee Responsible for Initial Determination Regarding a Proposed Merger Involving Actis International Limited and Abraaj International Management Limited

ECONOMIC SECTOR: Health and Dining Services

22nd December 2019

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 12th September, 2019 the COMESA Competition Commission (hereinafter referred to as the “**Commission**”) received a notification for approval of a merger involving Actis International Limited (“**Actis International**”) and Abraaj International Management Limited (“**AIML**”).
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 required 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

Actis International (the “Acquiring undertaking”)

4. It was submitted that the acquiring undertaking, Actis International is a limited liability company registered in accordance with the laws of England. It controls, Neoma, a limited liability company registered in Mauritius. Actis International is part of the Actis Group, a global private equity investor that invests in emerging markets including Africa, China, India, Latin America and South East Asia. The Actis Group generally invests in buy-outs of companies or non-core divisions of large corporations and in private companies seeking to achieve rapid growth organically or through acquisitions, privatizations or restructurings. The Actis Group specifically targets the consumer, healthcare, financial services, industrial, energy and real estate sectors. In the Common Market for Eastern and Southern Africa (“**COMESA**”), the Actis Group has a controlling interest in firms that are in the logistics, manufacturing, real estate, education, energy and pharmaceutical sectors.

AIML (the “Target Undertaking”)

5. It was submitted that the target undertaking AIML, is a company registered in the Cayman Islands. Prior to its provisional liquidation, AIML was ultimately controlled by Abraaj Holdings. AIML and Abraaj Holdings, were put into provisional liquidation by the Caymans Courts on 18th June 2018. AIML and the other management firms controlled by Abraaj Holdings are collectively referred to as (the “**Target Funds**”). The Target Funds have investments across various regions of the world, including sub-Saharan Africa. In COMESA, the Target Funds have a controlling interest in the firms that are in the manufacturing, all-day casual dining and healthcare services sectors.

Nature of the Transaction

6. The parties submitted that the transaction entails the assumption by Actis International, through Neoma Managers (Mauritius) Limited (“**Neoma**”), of the management rights



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held by AIML (in provisional liquidation) and other funds controlled by Abraaj Holdings Limited ("Abraaj Holdings").

Competition Analysis

7. The CID defined the relevant markets as follows:
 - a) The manufacture and supply of personal care products in COMESA;
 - b) The provision of dining services in Kenya, Rwanda and Uganda; and
 - c) The provision of healthcare services in Tunisia.
8. The CID observed that the transaction does not result in a change in the market structure of the relevant market due to the absence of horizontal overlaps in the activities of the parties.

Determination

9. The CID determined that the merger is 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 is unlikely to negatively affect trade between Member States. The CID therefore approved the transaction.
10. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 22nd December, 2019



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Commissioner Brian M. Lingela (Chairperson)



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Commissioner Islam Tagelsir Ahmed Alhasan