

11 November 2022

## **CCC Merger Inquiry Notice No. 43 of 2022**

### **Notice of Inquiry into the Proposed Merger involving AkzoNobel N.V, Kansai Plascon East Africa Proprietary Limited and Kansai Plascon Africa 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 Akzo Nobel N.V (“**AkzoNobel**”) as the acquirer, and Kansai Plascon East Africa Proprietary Limited (“**KPEA**”) and Kansai Plascon Africa Limited (“**KPAL**”) (the “**Target Firms**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The proposed transaction involves the acquisition by Akzo Nobel of 83.31% of the issued share capital of KPAL and all the issued share capital of KPEA from Kansai Paint Co. Ltd.

AkzoNobel is a Dutch multinational company that manufactures and sells paints and performance coatings for consumer and industrial use. In the Common Market, AkzoNobel has manufacturing plants in Egypt, Mauritius, Tunisia, and Zambia. AkzoNobel also supplies paints to the following Member States: the Democratic Republic of Congo (DRC), Eswatini, Ethiopia, Kenya, Libya, Madagascar, Rwanda, Sudan, Rwanda, and Zimbabwe.

The target firms manufacture and supply coating products to a number of countries throughout Africa. KPEA is a subsidiary of Kansai Paint Co. Ltd, mainly operating in Burundi, Kenya, Tanzania, Uganda, and Zanzibar. KPEA manufactures coatings used in various segments, namely decorative coatings, and industrial coatings, which include specialised coatings. KPEA has five manufacturing plants, four of which are in COMESA. KPEA is active in the following Member States: Burundi, DRC, Malawi, Rwanda, and Zambia.

KPAL has manufacturing plants in COMESA. In the Common Market, KPAL manufactures decorative and industrial coatings in three Member States (i.e., Malawi, Zambia, and Zimbabwe), but also derives revenue in another Member State, namely Eswatini, by supplying its products to independent third-party distributors (or resellers), retailers and/or directly to final customers.

The parties have submitted that the primary rationale for the proposed transaction is to improve AkzoNobel’s footprint in Sub-Saharan Africa and provide it with better

access to certain countries where it currently has a relatively limited presence, mainly in East Africa (including many COMESA Member States). The parties expect that their combined business will allow them to introduce better quality, more sustainable products (e.g., water-based paint products) to many Member States, and also remove certain raw materials from production processes that do not comply with AkzoNobel's global products stewardship standards.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether 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 of the proposed inquiry by emailing them to: [sbooluck@comesa.int](mailto:sbooluck@comesa.int). All written representations should be sent to the Commission not later than **2 December 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 **Ms. Sandya Booluck, Senior Analyst, Mergers and Acquisitions** on Tel: +265 (0) 1 772 466 or [sbooluck@comesa.int](mailto: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.