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**Common Market for Eastern
and Southern Africa**

Case No. CCC/MER/04/17/2018

**Decision¹ of the Forty-Fifth Committee Responsible for Initial
Determination on the Application for Authorisation of the Merger
Involving Cepar Ltd, Zebidar Brewery S.C and B.I.H. Brasseries
Internationales Holding Limited**

ECONOMIC SECTOR: Alcoholic Beverages

4th October 2018 – Johannesburg, South Africa

¹ In the published version of this decision, some information may have 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 23rd May 2018, the COMESA Competition Commission (hereinafter referred to as the "Commission") received an application for authorisation of a merger between Zebidar Brewery S.C. (Zebidar) and B.I.H Brasseries Internationales Holding Limited ("BIH").
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations, 2004 (hereinafter referred to as the "Regulations"). Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the proposed 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 (hereinafter referred to as the "CID") established that the parties operated in more than one COMESA Member State. This therefore meant that the regional dimension requirement under Article 23(3) of the Regulations was satisfied and asserted jurisdiction on the Commission to assess the transaction.

The Parties

BIH (the Acquirer)

4. BIH, the holding company of the Castel Group, a beverages company founded in France in 1949, is engaged in the manufacture, distribution and sale of alcoholic and non-alcoholic beverages in Ethiopia, Democratic Republic of Congo, Madagascar and Malawi.

Zebidar (the Target)

5. Zebidar was established in Ethiopia in 2010 and has been operating a brewery business since 2017.

Nature of the Transaction

6. BIH will acquire 100% controlling interest in Zebidar post-merger.

Competition Analysis

7. The CID defined the relevant market as the manufacture and distribution of beer in Ethiopia. The CID did not raise concern with the merger as the change in market concentration post-merger would be diminutive since Zebidar only accounted for 1% market share, a position that is unlikely to raise competition concerns. The CID further observed that there has been significant entry of market players in the beer industry in the Common Market and the market continues to be competitive.

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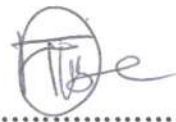
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Determination

8. The CID determined that the merger was not likely to substantially lessen competition in the Common Market and/or negatively affect trade between Member States. The CID therefore approved the transaction.
9. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 4th of October 2018


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Commissioner Patrick O. Okilangole
(Chairperson)


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Commissioner Thembelihle P. Dube
(Member)


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Commissioner Brian M. Lingela
(Member)