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**Common Market for Eastern  
and Southern Africa**

**Case No. CCC/MER/2/09/2018**

**Decision<sup>1</sup> of the Forty Sixth Committee Responsible for Initial Determination on the Application for Authorisation of the Acquisition of Raya Brewery Share Company by B.I.H. Brasseries Internationales Holding Limited**

**ECONOMIC SECTOR: Alcoholic Beverages**

**5<sup>th</sup> October 2018 – Johannesburg, South Africa**

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<sup>1</sup> 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 2<sup>nd</sup> March 2018, the COMESA Competition Commission (hereinafter referred to as the “Commission”) received an application for authorisation of a merger between B.I.H. Brasseries Internationales Holding Limited (“BIH”), and Raya Brewery Share Company (“Raya”).
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. The parties submitted that BIH was engaged in the manufacture, distribution and sale of alcoholic and non-alcoholic beverages, including beer, in Ethiopia, the Democratic Republic of Congo, Madagascar and Malawi.

#### **Raya (the Target)**

5. The parties submitted that Raya was established in Ethiopia in April 2011 and operates a brewery business.

#### **Nature of the Transaction**

6. The parties submitted that BIH through the Castel Group, already held a 42% shareholding in Raya and was acquiring sole control pursuant to the acquisition of a supplementary shareholding of 25% in Raya.

#### **Competition Analysis**

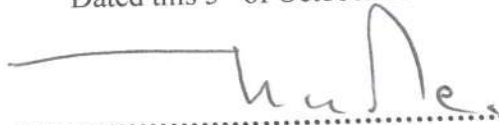
7. ~~The CID defined the relevant market the manufacture and distribution of clear beer in Ethiopia. The CID observed that the transaction would not significantly change the concentration levels, given that the market accretion was minimal. The CID further observed that the barriers to entry were not significant, noting that 3 new enterprises had entered the relevant market in the last 3 years. The CID also observed that there are no foreclosure concerns. Hence it was highly unlikely that the merger would result in an appreciable effect on trade between Member States.~~

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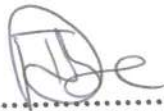
**Determination**

8. The CID determined that the merger was not likely to substantially lessen competition in the Common Market and was compatible with the COMESA Treaty objective of full market integration. The CID therefore ratified the authorisation granted by the Director on 29<sup>th</sup> June 2018.
9. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 5<sup>th</sup> 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)**