



COMESA Competition Commission

Kang'ombe House, 5th Floor-West Wing
P.O.Box30742
Lilongwe3, Malawi
Tel: +26501 772466
+265 (0) 999 970 269
Email- compcom@comesa.int



**Common Market for Eastern
and Southern Africa**

COMESA Competition Commission commences Phase 2 review of the acquisition of Blue Nile Cigarette Company Limited by British American Tobacco Middle East DMCC

Lilongwe, 21st July 2016

The COMESA Competition Commission (the “Commission”) has commenced a Phase 2 review to assess whether the acquisition of Blue Nile Cigarette Company Limited (“BNCC”) by British American Tobacco Middle East DMCC (“BAT ME”), which was notified to the Commission on 15th June 2016, is in line with the COMESA Competition Regulations (the “Regulations”). The phase 2 will continue until the end of the 120- day review period from the date of notification.

The Commission has preliminary concerns that the transaction may lessen competition in the markets for the sale and wholesale distribution of tobacco products in the Common Market. These markets have high entry barriers due to the important regulatory and capital investment requirements. The Commission's initial assessment has shown that the acquisition has removed a significant competitor from an already concentrated market.

The Commission will conduct an in-depth assessment of the transaction to determine whether these initial concerns are confirmed. The opening of a phase 2 review does not prejudice the outcome of the Commission’s assessment.

Parties Involved

BAT ME, the acquiring undertaking, is a company registered in the United Arab Emirates and is a subsidiary of the British American Tobacco group (the “BAT group”). The BAT group is a global tobacco group which manufactures, markets and sells primarily cigarettes and, to a lesser extent, other tobacco products, including cigars, pipe and roll-your-own tobacco. The group’s main brands include *Dunhill*, *Benson & Hedges*, and *Lucky Strike*. In the Common Market, the BAT group operates in the following Member States: Comoros, Democratic Republic of Congo, Djibouti, Egypt, Eritrea, Ethiopia, Kenya, Libya, Malawi, Mauritius, Rwanda, Sudan, Swaziland, Uganda, Zambia, and Zimbabwe.

BNCC, the target undertaking, is a company incorporated in Sudan under the Companies Ordinance, 1925. BNCC is only active in Sudan. Prior to the Transaction, BNCC manufactured and distributed cigarette sticks both under its own brands (*Lord*, *Lord Menthol* and *Goal*) and under license on behalf of the BAT group under the trademark *Benson & Hedges*.

More information is available on the Commission's [Merger Cases](#) webpage, under the case number [MER/01/01/2016](#).

If you wish to seek further details and/ or clarifications on any aspect of this transaction, you may get in touch with **Mr. Willard Mwemba, Manager for Mergers and Acquisitions**, on +265 (0) 1 772 466 or via email at wmwemba@comesa.int.