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**Common Market for Eastern
and Southern Africa**

CASE FILE No. CCC/MER/03/01/2015

**Decision¹ of the Sixteenth Meeting of the Committee of Initial
Determination Regarding the Proposed Acquisition by Ethos Private
Equity Fund VI of Two Divisions of Nampak Products Limited namely
Nampak Corrugated and Nampak Tissue Products Limited**

ECONOMIC SECTOR: Packaging

29th July 2015 – Lilongwe, Malawi

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

Information and Relevant Background

1. On 3rd March, 2015, the COMESA Competition Commission hereinafter referred to as (“the Commission”) received an application for approval of a transaction involving the proposed acquisition by Ethos Private Equity Fund VI (“Ethos Fund VI”) of Two Divisions of Nampak Products Limited hereinafter referred to as (“Nampak”) namely Nampak Corrugated and Nampak Tissue.
2. The transaction was notified with the Commission under Article 24(1) of the COMESA Competition Regulations hereinafter referred to as (the “Regulations”). Under this provision 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 pursuant to Article 26 of the Regulations.
3. The Committee of Initial Determination hereinafter referred to as (“the CID”) noted that the parties operate in two or more COMESA Member States. This therefore, means that the regional dimension requirements under Articles 23(3) and 23(5) of the Regulations are satisfied and asserts jurisdiction of the Commission to assess the transaction.

The Parties

Ethos Fund VI

4. Ethos Fund VI is a private equity investment fund comprising of various local and international partners. The company is advised by Ethos Private Equity Proprietary Limited hereinafter referred to as (“Ethos”), a South African private equity firm which, through various equity funds, makes investments on behalf of investors. Ethos also facilitates the acquisition by investors of equity interests in management buyouts. Ethos Fund VI intends to establish a new company (s) for the purpose of this transaction. Ethos Fund VI currently has no operations in the Common Market.

Nampak Products Limited

5. Nampak is a South African based packaging company that manufactures a comprehensive range of metal, glass, paper and plastic packaging products. With regard to this particular transaction, Nampak will sell its corrugated and tissue business divisions to Ethos Fund VI. Nampak Corrugated is a division of Nampak that manufactures corrugated packaging and supplies to all major industries that require corrugated packaging products such as the industrial, agriculture, wine and spirits and sheet –board industries. Nampak Corrugated has nine (9) plants in South Africa in addition to an integrated plant in Swaziland. Nampak Tissue is a division of Nampak that manufactures tissue paper products and related household products. The company’s renowned brands include Twinsoft, Twinsaver and Hullet.

Nature of the Transaction

6. In accordance with the business agreement entered into by the parties, Ethos Fund VI will acquire the corrugated and tissue business divisions of Nampak. On completion of the transaction, Ethos Fund VI will control the target businesses.

Competition Analysis

7. The CID noted that the relevant market is highly contested and does not raise significant competition concerns. The CID established that the transaction does not raise foreclosure concerns and hence it is highly unlikely that the merger will result in an appreciable effect on trade between Member States.

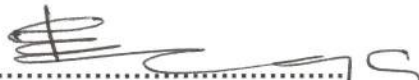
Determination

8. The CID determined that the merger does not substantially prevent or lessen Competition and is compatible with the Treaty Establishing the Common Market. The CID has therefore decided to approve the transaction.
9. This decision is adopted in accordance with Article 26 of the COMESA Competition Regulations.

Dated this 29th day of July, 2015.



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Commissioner Matthews Chikankheni (Chairman)



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Commissioner Thabisile Langa (Member)



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Commissioner Patrick Okilangole (Member)