



COMESA Competition Commission

Kang'ombe House - 5th Floor

P.O. Box 30742

Lilongwe 3, Malawi

Tel: +265 (0)1 772 466/529

+265 (0) 999 970 269

Email: compcom@comesa.int



**Common Market for Eastern
and Southern Africa**

30 May 2022

CCC Merger Inquiry Notice No. 24 of 2022

Notice of Inquiry into the Proposed Merger involving Pharma-Q Holdings Proprietary Limited and Imperial Logistics Limited (as the acquiring firms) and Ascendis Pharma Proprietary Limited, Alliance Pharma Proprietary Limited, Pharmachem Pharmaceuticals Proprietary Limited and Medicine Developers International Proprietary Limited (as the target firms)

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 Transaction involving Pharma-Q Holdings Proprietary Limited (“**Pharma-Q Holdings**”) and Imperial Logistics Limited (“**Imperial**”) as the acquiring firms and Ascendis Pharma Proprietary Limited (“**Ascendis Pharma**”), Alliance Pharma Proprietary Limited (“**Alliance Pharma**”), Pharmachem Pharmaceuticals Proprietary Limited (“**Pharmachem Pharmaceuticals**”) and Medicine Developers International Proprietary Limited (“**Medicine Developers International**”) as the target firms, and intends to embark on an inquiry in terms of Article 26 of the Regulations.

Pharma-Q Holdings is a pharmaceutical intellectual property, brand owner and manufacturer of various pharmaceutical products in South Africa which include over-the-counter and ethical products. Pharma-Q’s activities in the Member States are limited to the sale of two products, namely Pharma-Q Bupivacaine spin & dextrose and Pharma-Q Dopamine 200mg/5ml which are sold through an agent, in Eswatini and Zimbabwe.

Imperial is ultimately controlled 100% by DP World Logistics FZE (“**DP World Logistics**”). DP World Logistics is a multinational logistics company incorporated in the United Arab Emirates, specialising in port terminal operations, maritime services, free trade zones and cargo handling and logistics services (i.e., discharging and loading of vessels and related activities). Imperial and the various companies which form part of the Imperial Group are transport and logistics providers in South Africa and in various African countries. Imperial is involved in the provision of market access services to various retail and pharmaceutical customers in Africa, including transporting of products. This entails route-to-market solutions comprising of the marketing, distribution and sale of pharmaceutical products and fast-moving consumer goods. Imperial

All communication should be addressed to the Director and Chief Executive Officer

provides logistics services which comprise transport solutions (primary and secondary) for its clients in sub-Saharan Africa and abroad. In the Common Market, Imperial and DP World are active in Djibouti, Egypt, Eswatini, Kenya, Malawi, Mauritius, Rwanda and Zambia.

The target firms are wholly owned subsidiaries of Ascendis Health SA Holdings (Pty) Ltd.

Ascendis Pharma is a pharmaceutical company with well-known brands primarily within the private and public sectors of the South African pharmaceutical industry. In the Common Market, Ascendis Pharma markets and distributes pharmaceutical products in Mauritius, Seychelles and Eswatini. Alliance Pharma and Medicine Developers International hold pharmaceutical licenses and dossiers but are mainly dormant and have no commercial activities. Pharmachem Pharmaceuticals is a dormant firm and holds no pharmaceutical licenses.

The proposed transaction involves the acquisition by Pharma-Q Holdings and Imperial respectively of 51% and 49% of the shares in Ascendis Pharma, Alliance Pharma, Medicine Developers International, and Pharmachem Pharmaceuticals from Ascendis Health SA Holdings Proprietary Limited.

The parties have submitted that a minimal overlap arises for non-narcotic pain and fever medication between Imperial and Ascendis Pharma in Eswatini but that this does not substantially prevent or lessen competition.

The parties have further submitted that in terms of the rationale for the transaction:

- For Pharma-Q Holdings, it is to grow its ability to export internationally with the expertise of Imperial's global reach of marketing, sales and distribution;
- For Imperial, it is to allow it to manage and oversee the distribution and commercialisation of its portfolio and give it the necessary scale to compete in the market and attract bigger principals in the future. The Ascendis portfolio and dossiers will also allow Imperial additional growth opportunities both in South Africa and other African markets; and
- For Ascendis Health SA Holdings Proprietary Limited, it is the alleviation of its ongoing debt burden which will allow it to consolidate its position in its core business activities.

The Commission will, in accordance with the provisions of Article 26 of the Regulations, determine, among other things, whether or not the proposed transaction is likely to substantially prevent or lessen competition within the Common Market and whether it would be contrary to the public interest.

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. All written representations should be sent to the Commission not later than **20th June 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.

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.