

1 December 2023

CCC Merger Inquiry Notice No. 33 of 2023

Notice of Inquiry into the Merger Involving Maziwa and Highland Creamers & Food Limited

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 merger involving Maziwa (the “**Acquiring Firm**”) and Highland Creamers & Food Limited (the “**Target Firm**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The transaction entails the proposed acquisition of 100% of the total issued share capital of Highland Creamers & Food Limited by Maziwa.

The parties submitted that Maziwa is a non-operating holding company incorporated in Mauritius which holds investments in various subsidiaries incorporated in Kenya and Uganda (together, the “**Acquiring Group**”). The principal business activities of the Acquiring Group include the collection, processing and selling of milk and milk products in Uganda and Kenya. The Acquiring Group processes milk under the Lato brand. In Uganda, Maziwa operates through its subsidiary Pearl Dairy Farms Limited while in Kenya it operates through Highland Creamers and Food Limited.

The parties submitted that the Target is a company incorporated in Kenya. The Target’s principal activity is the collection, processing, packaging and selling of milk and milk products, specifically UHT long-life milk (90 days and 180 days) and yoghurt in Kenya. The Target does not have any subsidiaries and does not operate in any COMESA Member State other than Kenya.

The parties submitted that as part of the Acquirer’s vision, working with farmers to improve their livelihood is a top priority along with addressing nutritional gaps in its countries of operation with current and planned products. The acquisition of the Target will allow for a two-country manufacturing setup that will allow the merging parties to reduce turnaround time to customers and increase the value addition in both Kenya and Uganda. The access to the two separate milk pools in Kenya and Uganda will also allow for growth in the local Kenyan market without dependency on imports from other nations.

The Commission will, in accordance with the provisions of the Regulations, determine, among other things, whether the proposed transaction is likely to substantially prevent or lessen competition within the Common Market and whether the proposed

transaction is or would be contrary to the public interest as provided for under Article 26 of the Regulations.

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: akamanga@comesacompetition.org. All written representations should be sent to the Commission not later than **22 December 2023**.

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 **Mr. Ali Kamanga, Principal Analyst, Competition Division** on Tel: +265 (0) 1 772 466 or akamanga@comesacompetition.org.

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.