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Common Market for Eastern
and Southern Africa

9 February 2024

CCC Merger Inquiry Notice No. 5 of 2024

Notice of Inquiry into the Proposed Merger involving National Cement Holding Limited and Cimerwa PLC

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 merger involving National Cement Holding Limited ("**National Cement Holding**") and Cimerwa PLC ("**CIMERWA**" or the "**target**"), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The proposed transaction entails National Cement Holding acquiring 51% of the shareholding in CIMERWA from PPC International Holdings Proprietary Limited ("**PPC International**", or the "**Seller**").

The parties have submitted that National Cement Holding is a private company incorporated in the Republic of Rwanda and a special-purpose vehicle established for the purposes of the proposed transaction. National Cement Holding is directly controlled by ERC Holdings Limited, a company registered in the Isle of Man and controlled by a trust where its indirect shareholder also controls National Cement Company Limited, a private company incorporated in Kenya, and National Cement Company Uganda Limited, a private company incorporated in Uganda, which are both involved in the supply of cement in Kenya and Uganda, respectively. The parties further submitted that, although not part of the same corporate entity, National Cement Holding, National Cement Company Limited, and National Cement Company Uganda Limited are referred to as (the "**acquiring group**"), due to their common beneficial owner. In the Common Market, the acquiring group operates in Kenya and Uganda.

The parties submitted that CIMERWA is a public company incorporated in the Republic of Rwanda, with a portion of its shares listed on the Rwanda Stock Exchange. CIMERWA is controlled by PPC International, a company incorporated in the Republic of South Africa, which in turn is a wholly-owned subsidiary of PPC Limited ("**PPC**"). CIMERWA is a manufacturer and supplier of cement in the Republic of Rwanda and has customers in the Democratic Republic of Congo ("**DRC**"). In the Common Market, the target operates in Rwanda and the DRC.

The parties have submitted that their strategic move will ultimately benefit both companies and their respective shareholders. The move involves PPC focusing its

resources and efforts on its core markets in Southern Africa. Simultaneously, National Cement Holding will gain a valuable asset, complementing its existing portfolio in the Eastern African market and facilitating an expansion of its footprint. CIMERWA will benefit from the combined strengths and expertise from an association with the acquiring group, ensuring its long-term success and sustainability.

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: mdebessay@comesacompetition.org. All written representations should be sent to the Commission not later than **1 March 2024**.

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. Mengistu Debessay, Senior Analyst, Competition Division** on Tel: +265 111 772 466 or mdebessay@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.