COMESA Competition Commission
**COMESA Competition Commission**
Kang'ombe House, 5th Floor
P.O. Box 30742
Lilongwe 3, Malawi
Tel: +265 111 772 466/529/530
Email - compcom@comesacompetition.org

COMESA
Common Market for Eastern and Southern Africa

**Case File No. CCC/MER/08/31/2024**

# Decision[1] of the 110th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Merger Involving Amsons Industries (k) Limited and Bamburi Cement Plc

**ECONOMIC SECTOR**: Manufacturing (Cement)

COMESA COMPETITION COMMISSION * 20 OCT 2024

**20 October 2024**

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.

## The Committee Responsible for Initial Determinations,

Cognisant of Article 55 of the Treaty establishing the Common Market for Eastern and Southern Africa (the "**COMESA Treaty**");

Having regard to the COMESA Competition Regulations of 2004 (the "**Regulations**"), and in particular Part 4 thereof;

Mindful of the COMESA Competition Rules of 2004, as amended by the COMESA Competition [Amendment] Rules, 2014 (the "**Rules**");

Conscious of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation of 2015;

Recalling the overriding need to establish a Common Market;

Recognising that anti-competitive mergers may constitute an obstacle to the achievement of economic growth, trade liberalization and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalization of business activities correspondingly increases the likelihood that anti-competitive mergers in one Member State may adversely affect competition in another Member State,

Desirability of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration,

Having regard to the COMESA Merger Assessment Guidelines of 2014,

Determines as follows:

### Introduction and Relevant Background

1. On 6 September 2024, the COMESA Competition Commission (the "**Commission**") received a notification for approval of a merger involving Amsons Industries (k) Limited ("**Amsons Kenya**" or the "**acquiring firm**") and Bamburi Cement Plc ("**Bamburi**" or the "**target firm**") and its subsidiaries (the "**target group**"), pursuant to Article 24(1) of the Regulations.

2. Pursuant to Article 26 of the Regulations, the Commission is required to assess whether the 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.

3. Pursuant to Article 13(4) of the Regulations, there is established a Committee Responsible for Initial Determinations, referred to as the CID. The decision of the CID is set out below.

COMESA COMPETITION COMMISSION * 20 OCT 2024

## The Parties

### *Amsons Kenya (the acquiring firm)*

4. Amsons Kenya is an investment vehicle incorporated in the Republic of Kenya on 29 June 2024 by Amsons Industries (T) Limited ("**Amsons Tanzania**") for the purpose of the Proposed Transaction. Amsons Tanzania, which controls the acquiring firm, is a company incorporated under the laws of the Republic of Tanzania and whose principal activities are the manufacture, storage and trading in fast moving consumer goods, including fuel & lubricants, liquefied petroleum gas, cement, and grain.

5. Amsons Group is a family-run conglomerate with operations primarily in Tanzania.[2] The parties further submitted that Amsons Tanzania, through Pan African Cement Limited, controls Mbeya Cement Company Limited, a company incorporated in Tanzania, with its plant in Tanzania which sells grey cement to Burundi, the Democratic Republic of Congo (the "**DRC**"), Malawi and Zambia.

### *Bamburi (the target firm)*

6. Bamburi is a publicly listed company, incorporated in the Republic of Kenya on 20 July 1951, with its shares listed on the Nairobi Securities Exchange. Bamburi and its subsidiaries, the target group, is active in the production and sale of grey cement, concrete and concrete products through its two cement plants, three ready mix plants, and two pre-cast plants located in Kenya.

7. Within the Common Market, the target group is specifically involved in:

   (i) the production of grey cement in Kenya;

   (ii) the sale of grey cement in Burundi, DRC, Ethiopia, Kenya, Rwanda and Uganda; and

   (iii) the production and sale of ready-mix concrete and precast concrete block products in Kenya.

## Jurisdiction of the Commission

8. Article 24(1) of the Regulations requires 'notifiable mergers' to be notified to the Commission. Rule 4 of the Rules on the Determination of Merger Notification Thresholds and Method of Calculation (the "**Merger Notification Thresholds Rules**") provides that:

[2] https://businessempires.africa/amsons-group-the-tanzanian-company-behind-the-180m-kenyas-bamburi-cement-buyout/, accessed on 27 September 2024.

*"Any merger, where both the acquiring firm and the target firm, or either the acquiring firm or* the *target firm, operate in two or more Member States, shall be notifiable if:*

a) *the combined annual turnover or combined value of assets, whichever is higher, in the Common Market of all parties to a merger equals or exceeds USD 50 million; and*

b) *the annual turnover or value of assets, whichever is higher, in the Common Market of each of at least two of the parties to a merger equals or exceeds USD 10 million, unless each of the parties to a merger achieves at least two-thirds of its aggregate turnover or assets in the Common Market within one and the same Member State".*

9. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD 50 million in the Common Market and they each derived a turnover of more than USD 10 million in the Common Market. In addition, the parties do not hold more than two-thirds of their respective aggregate turnover or asset value in one and the same Member State. The Commission was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Article 23(5)(a) of the Regulations.

## Details of the Merger

10. The proposed transaction involves Amsons Kenya's acquisition of Bamburi and its subsidiaries through a public bid to purchase up to 100% of Bamburi's ordinary shares at a price of KES 65.00 per share.

11. Upon completion of the proposed transaction, Amsons Tanzania will indirectly hold up to 100% of Bamburi's issued ordinary share capital through the acquiring firm.

## Competition Assessment

### Consideration of the Relevant Markets

### *Relevant Product Market*

12. Paragraph 7 of the Commission's Guidelines on Market Definition states that a *"**relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer/customer, by reason of the products' characteristics, their prices and their intended use**".*

13. Amsons Group is active in the FMCG sector, including distribution of fuel & lubricants, liquefied petroleum gas and grains. Relevant to the proposed transaction, the Amsons Group produces grey cement in Tanzania which it supplies into Burundi, the DRC, Malawi and Zambia.

14. The target group produces grey cement in Kenya which it supplies into Burundi, DRC, Ethiopia, Kenya, Rwanda and Uganda. Further, the target group produces and supplies ready-mix concrete and pre-cast concrete block products in Kenya.

15. The CID observed that the transaction is a horizontal merger since both parties are active in the production and supply of grey cement. Further, the transaction raises vertical relationships between the parties given concrete products manufactured and supplied by the target require cement. Therefore, the assessment of the relevant product market focuses on the production and supply of grey cement and concrete products as discussed below.

*Production and supply of cement*

16. The CID noted that cement is a crucial material in the construction industry, primarily used in the production of concrete. It is a fine powder produced by crushing and heating limestone with clay or shale.[3] The cement manufacturing process involves a carefully controlled chemical combination of calcium, silicon, aluminium, iron, and other elements.[4] The precise mixture of lime, silica, alumina, and iron results in a product known as cement clinker.[5] When mixed with water, cement serves as a binding agent, gradually hardening into a durable material. The final product is achieved by grinding the clinker with gypsum to control the setting time.

17. Cement plays a vital role across various construction sectors, including public, residential, and commercial projects, by acting as a binder that allows materials to adhere to one another. It is widely used in the production of mortar for masonry work and concrete. Additionally, cement is a key component in the manufacturing of ready-mixed concrete, pre-cast concrete products, and mortar, making it indispensable for construction projects.[6]

18. The CID considered that cement can be classified as either white or grey in colour. White cement is primarily demanded for aesthetic purposes and it is commonly used in decorative elements, interior and exterior finishes. On the other hand, grey cement is predominantly used in structural applications. It serves as the primary binding material in concrete and mortar. In ***TSI/Holcim Entities***[7]***,*** the CID considered white and grey cement as distinct markets due to differences in their usage, price, and characteristics.

---

[3] See para 25, case no. CCC/MER/01/03/2024, National Cement Holding Limited and Cimerwa Plc, decision dated 11 July 2024.
[4] https://www.cement.org/cement-concrete/how-cement-is-made, accessed on 27 September 2024.
[5] Cement Raw Materials (November, 2005), https://www.cemnet.com/public/courses/srm01L1/story_content/external_files/Cement%20Raw%20Materials.pdf, accessed on 27 March 2024
[6] See Case No Comp/M.7009-Holcim/Cemex West, para 24.
[7] See para13, Case File No. CCC/MER/07/19/2021

19. White cement is generally more expensive than grey cement due to the higher selectivity of the raw materials and the increased production complexities of the production process.[8] Grey cement is produced from raw materials such as limestone, clay, seashells, and iron ore, with its color attributed to the presence of iron, manganese, chromium, and magnesium oxides. In contrast, white cement requires materials with low oxide content, such as high-purity limestone.[9] Additionally, the production of grey cement is faster compared to white cement, further contributing to their market differences.

20. In view of the foregoing, it is evident that the white and grey cement constitute distinct market segments. Given that the parties are only active in the production and supply of grey cement, the CID limited its analysis of relevant market to grey cement.

21. Grey cement can further be segmented based on grade or strength such as 22.5 X, 32.5 N, 42.5 N, 52.5 N, and 62.5 N, since the differing strength can serve distinct purposes.[10] While noting that the production and supply of cement may broadly constitute a single relevant market due to its homogeneity, given that the production process is similar across all industry players, the CID considered that the market could also be segmented based on the varying strengths and applications of cement.[11]

22. The CID observed that Bamburi offers a variety of grey cement grades[12] tailored for specific applications including Fundi MC 22.5x - ideal for mortar works such as plastering, rendering, block laying, screeding, and repairs; NGUVU CEM IV/B(P) 32.5N - a general-purpose composite cement suitable for a wide range of uses, from domestic concrete projects to large-scale building and construction; POWERPLUS 42.5N - efficiently used in medium to large construction projects for optimized performance; and POWERCRETE 52.5N grade cement - specifically designed for high-strength applications, including railway sleepers, skyscraper foundations, precast slabs and beams, bridges, overpasses, windmill foundations, and heavy-duty industrial floors.

23. The CID noted that the target produces and supplies different grades of grey cement, indicating that supply-side substitutability is possible. This means that manufacturers can readily switch between producing different grades of grey cement in response to market demand without incurring significant additional costs or requiring substantial changes in their production processes. This flexibility of

---

[8] https://midrender.co.uk/what-is-white-cement/#:~:text=maintained, accessed on 7 October 2024.

[9] https://constructionfaqs.wordpress.com/2018/05/29/white-cement-vs-grey-cement-strength/, accessed on 6 September 2024.

[10] https://www.structuralguide.com/classification-of-cement/, accessed on 28 September 2024.

[11] See para 27, case no. CCC/MER/01/03/2024, National Cement Holding Limited and Cimerwa Plc, decision dated 11 July 2024.

[12] https://www.lafarge.co.ke/cement, accessed on 28 September 2024.

manufacturing processes to substitute one grade for another allows producers to optimize their output based on specific customer needs and prevailing market conditions.

24. The CID recalled its consideration in ***NCHL/Cimerwa***[13], that the flexibility of manufacturing processes allows cement producers to easily switch between different grades, such as from 42.5N and 32.5N, without significant costs since the same production technologies are used. This adaptability is reflected in how producers allocate production capacity based on market demand. The high degree of supply-side substitutability indicates that, in response to a small but significant price increase, producers can shift to alternative grades of cement with minimal cost. Many producers offer a range of cement types to meet varying application needs.

25. The CID considered that on the demand side, consumer behaviour varies. Retail customers often prioritize price over technical differences, especially in smaller construction projects. However, for projects with specific technical requirements or strict standards, consumers are willing to pay more for higher-grade cement. In commercial and industrial construction, price remains important but is typically not the sole factor in purchasing decisions. The CID observed that in these contexts, factors such as strength, technical specifications, and quality assurances play pivotal roles alongside pricing considerations.

26. In view of the foregoing, the CID considered the relevant product market to be the market for the ***production and supply of various grades of grey cement (***22,5X, 32.5N, 42.5N, and 52.5N) being the grades supplied by the target group.

*Production and supply of ready-mix and pre-cast concrete products*

27. Ready-Mix Concrete ('**RMX**') is an industrially manufactured product constituted by a blend of aggregates, grey cement, water and additives.[14] Precast concrete products are concrete structures produced by casting concrete in a reusable mould or form which is then cured in a controlled environment and transported to a specific construction site to be lifted into place.[15]

28. RMX and precast concrete share similar elements since cement, aggregates, water and additives as used in their production. However, but they differ mainly in their application.[16] Precast concrete is manufactured offsite in specialized molds, cured at a controlled facility, and then transported to the construction site for use. This

---

[13] [13] See para 32, case no. CCC/MER/01/03/2024, National Cement Holding Limited and Cimerwa Plc, decision dated 11 July 2024.
[14] See para. 276, Case No COMP/M.7252 - Holcim/Lafarge.
[15] See footnote 54, at https://assets.publishing.service.gov.uk/media/552ce1d5ed915d15db000001/Aggregates_final_report.pdf, accessed on 28 September 2024.
[16] See online, https://www.southportconcreteco.com/precast-concrete-versus-ready-mix-what-you-need-to-know, accessed on 28 September 2024.

process allows for thinner and more evenly laid concrete that can bear greater weight due to its specialized curing.[17] In contrast, ready-mix concrete is produced in a freshly mixed and unhardened state and delivered in a liquid state directly to the job site, where it is poured and shaped using hand tools. It does not require the same handling as precast concrete, as it can cure without constant supervision, and minor structural flaws typically do not affect its load-bearing capacity. This demonstrates that RMX and precast concretes are two distinct products from a production and application perspective. It is unlikely for RMX concrete and pre-cast concrete to be substitutable given that with the former one cannot not guarantee consistency and quality in how the concrete settles while with pre-cast concrete quality control is assured, thus suitable for special construction projects such as construction of bridges.

29. In view of the foregoing and in line with its previous decision[18], the CID considered the ***production and supply of RMX concrete; and the production and supply of pre-cast concrete products*** as distinct markets.

30. Based on the foregoing assessment and without prejudice to the CID's approach in similar future cases, the relevant product markets are determined as ***the production and supply of:***

    ***a) Various grades of grey cement (22,5X, 32.5N, 42.5N, and 52.5N);***

    ***b) RMX concrete; and***

    ***c) Pre-cast concrete products.***

***Relevant Geographic Market***

31. Paragraph 8 of the Market Definition defines the relevant geographic market as follows:

    ***"The relevant geographic market comprises the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the conditions of competition are sufficiently homogeneous, and which can be distinguished from neighbouring areas because the conditions of competition are appreciably different in those areas".***

*Production and supply of grey cement*

32. The CID noted that the geographic scope for the production and supply of different grades of grey cement is generally limited due to the high transportation costs associated with the heavy weight of cement. Transporting cement over long

[17] Ibid.

[18] See para 37, case no. CCC/MER/01/03/2024, National Cement Holding Limited and Cimerwa Plc, decision dated 11 July 2024.

distances becomes economically challenging without incurring significant expenses. However, advancements in technology and infrastructure have expanded the competitive transport range, enabling producers to reach distant markets more efficiently and cost-effectively.[19] For example, bulk cement carriers equipped with sophisticated logistics and transportation systems have significantly increased the distance over which cement can be transported competitively. These innovations allow larger quantities of cement to be shipped in a single load, reducing per-unit costs and making it feasible to serve markets that were previously considered too far.

33. This trend is evident in rising cement export statistics among COMESA Member States, particularly those sharing borders. For instance, the acquiring group supplies grey cement from its Tanzania plant to Burundi, DRC, Malawi, and Zambia, while the target group exports from its Kenya plant to countries like Burundi, DRC, Ethiopia, Rwanda, and Uganda. These patterns indicate increasing regional integration in cement supply, as producers are able to reach beyond their immediate regions, benefiting from geographic proximity and tax exemptions under the COMESA free trade area, which facilitates cross-border trade. Supporting this, Portland cement ranked seventh among intra-COMESA export products in 2019,[20] suggesting that the relevant geographic market extends beyond national borders.

34. In ***NCHL/Cimerwa***[21], the CID also found that the geographic scope for the production and supply of cement is primarily between Member States with shared borders, as proximity plays a crucial role in facilitating trade. Given that the target group operates in Kenya and there is an active trade in grey cement between Kenya and its neighboring countries—Burundi, DRC, Ethiopia, Rwanda, and Uganda—the geographic scope for cement production and supply can reasonably be extended to Kenya's neighboring countries.

35. Considering these factors and in line with its decisional practice[22], the CID construed the relevant geographic market as the ***production and supply of various grades of grey cement to be the region consisting of Kenya, Burundi, DRC, Ethiopia, Rwanda, and Uganda.***

*RMX Concrete*

36. RMX concrete is created in a freshly mixed, unhardened state and delivered directly to construction sites. Due to its nature, RMX begins to harden within one to two

[19] See para 392, Case File No. CCC/MER/01/03/2024, decision dated 11 July 2024; and Case File No. CCC/MER/8/35/2022dated 18 November 2022..

[20] https://www.comesa.int/wp-content/uploads/2021/10/COMESA-Annual-Report-2020-English.pdf, discussing cement among main products for intra-COMESA trade. accessed on 29 September 2024.

[21] See paras. 42-43, case no. CCC/MER/01/03/2024, National Cement Holding Limited and Cimerwa Plc, decision dated 11 July 2024.

[22] Ibid.

hours[23], which imposes a strict time limit on its use and determines the maximum distance it can be transported after production. This time-sensitive characteristic necessitates that RMX be used quickly, meaning its transport is typically limited to nearby areas. Several external factors, such as weather conditions, the quality of road infrastructure, and traffic congestion, can further restrict the distance over which RMX can be efficiently and reliably delivered. These conditions may affect how far RMX can be sourced and transported without compromising its quality.

37. Due to these factors, the EC, in its previous decisions[24], has consistently defined the relevant geographic market for RMX production and supply as a 25 km radius around each RMX plant.

38. The CID notes that the target group supplies RMX concrete from its production facilities and to its customers within Nairobi and Mombasa.[25] The geographic scope is thus constrained by the proximity of these cities to the RMX plants, reinforcing the argument that RMX concrete supply is inherently localised due to its limited setting time. Therefore, the CID considered that the geographic scope for RMX concrete is localised within Nairobi and Mombasa.

39. Given the time-sensitive nature of RMX concrete and considering the absence of overlap in this specific product market, it is concluded that the geographic market for the ***production and supply of RMX concrete localised within close proximity of the RMX plants in Nairobi and Mombasa***.

*Pre-cast concrete*

40. Similar to its considerations of RMX concrete above, the CID observed that the relevant geographic market for the production and supply of precast concrete is also likely to be confined to within Nairobi and Mombasa, being the location of target group's plant and supply.[26] This limitation arises from several critical factors including the substantial weight and bulk of precast concrete elements, transportation costs can be significant, making it economically impractical to transport these products over long distances. Additionally, the CID noted that the structural integrity of precast concrete components can be compromised if subjected to prolonged transportation times.

41. Therefore, due to the heavy weight, logistical challenges, and time-sensitive nature of precast concrete deliveries, the CID considered that the relevant geographic market for ***the production and supply of precast concrete products to be within Nairobi and Mombasa***. The CID further considered that any alternative geographic market is not likely to alter the competitive assessment of the

---

[23] See para. 276 and 277, Case No COMP/M.7252 - Holcim/Lafarge.
[24] See para. 286 and 277, Case No COMP/M.7252 - Holcim/Lafarge.
[25] https://www.lafarge.co.ke/bamburi-special-products-limited, accessed on 7 October 2024.
[26] https://www.lafarge.co.ke/bamburi-special-products-limited, accessed on 7 October 2024.

transaction give the market structure for precast concrete will not be altered as a result of the proposed transaction.

***Conclusion on Relevant Markets***

42. Based on the foregoing assessment, and without prejudice to its approach in similar future cases, the CID determined the relevant markets as:

***a) the production and supply of various grades of grey cement (22,5X, 32.5N, 42.5N, and 52.5N) in the region consisting of Kenya, Burundi, DRC, Ethiopia, Rwanda, and Uganda;***

***b) the production and supply of RMX concrete localised within close proximity of the RMX plants in Nairobi and Mombasa; and***

***c) the production and supply of precast concrete products within Nairobi and Mombasa.***

**Market Shares and Concentration**

43. The CID observed that the merging parties have a minimal horizontal overlap in the Common Market, specifically in the sale of grey cement in Burundi and the DRC through limited export activity. Therefore, its competitive analysis primarily focused on these areas of overlap, as detailed in table 1 below.

***Table 1: The merging parties and competitors' market shares in the supply of grey cement in Burundi, DRC, and Kenya***[27]

| ***Member State*** | ***Competitors*** | ***Pre-merger estimated market shares in %*** | ***Post-merger estimated market shares in %*** |
|---|---|---|---|
| **Burundi** | Burundi Cement Company | [50-60] | [50-60] |
| | ***Bamburi (target)*** | ***[0-10]*** | ***[0-10]*** |
| | ***Amsons through Mbeya Cement (acquirer)*** | ***[0-10]*** | |
| | others | [40-50] | [40-50] |
| | **Total** | **100** | **100** |
| **DRC** | Great Lake Cement Company Limited | [0-10] | [0-10] |
| | ***Acquirer through Mbeya Cement*** | ***[0-10]*** | ***[0-10]*** |
| | ***Target group*** | ***[0-10]*** | |
| | Others | ≈ 90 | ≈ 90 |
| | **Total** | **100** | **100** |
| **Kenya** | National Cement Company Limited | [40-50] | [40-50] |
| | Mombasa Cement | [10-20] | [10-20] |
| | ***Bamburi (target)*** | ***[10-20]*** | ***[10-20]*** |
| | Kasanramji Ramji and Sons Limited | [0-10] | [0-10] |
| | East African Portland Cement | [0-10] | [0-10] |

[27] Confidentiality of information claimed by the parties.

| | | | |
|---|---|---|---|
| | Others | [0-10] | [0-10] |
| | **Total** | **100** | **100** |

44. The CID observed that Burundi Cement Company dominates the Burundian cement market with a *[50 – 60] %* market share, while both the acquirer and the target group hold [0-10]. The remaining *[40 – 50] %* of the market is divided among other players. The proposed transaction will result in a minor market share increase of less than [redacted], driven by imports of Mbeya Cement, the acquirer's grey cement from Tanzania.

45. The CID observed that in the DRC, approximately 90% of the grey cement market is controlled by various competitors, with Great Lake Cement Company Limited holding [0-10]. The acquirer and the target group each hold [0-10] of the market pre-merger. Post-merger, the market share increase will be less than [redacted], due to imports of Mbeya Cement from Tanzania.

46. The CID observed that in Kenya, National Cement Company Limited is the market leader with a [*40 – 50*] % market share, followed by Mombasa Cement with [*10 – 20*] %. The target group holds [*10 – 20*] %, while Kasanramji Ramji and Sons Limited, and East African Portland Cement control [*0 – 10*] % and [0-10], respectively. The remaining [0-10] % is shared among other players. The market structure in Kenya will remain unchanged post-merger, as the acquirer has no presence in this market.

47. The CID considered that competition concerns are unlikely to arise in Burundi and the DRC, given the minimal market share increase of [0-10]. Moreover, the merged entity will continue to face significant competition post-merger. Similarly, in Kenya, the competitive landscape will remain unchanged, as the acquirer is not active in the market.

48. Regarding the RMX concrete and precast concrete markets, the CID noted that the target group produces and supplies these products primarily to customers in the Nairobi and Mombasa regions.

49. The CID considered the market shares of the target group and its competitors for the production and sale of the broader market of concrete and concrete products, in the broader Kenyan national market, as per Table 2 below.

***Table 2: The target group and its competitors' market shares in the production and sales of concrete and concrete products in Kenya[28]***

| ***Competitors*** | ***Pre-merger estimated market shares in %*** | ***Post-merger estimated market shares in %*** |
|---|---|---|
| Alliance Concrete Limited | *[20-30]* | *[20-30]* |
| Onda Concrete Limited | *[20-30]* | *[20-30]* |

[28] Confidentiality of information claimed by the parties.

| | | |
|---|---|---|
| ***Bamburi Special Products Limited (the target group)*** | ***[10-20]*** | ***[10-20]*** |
| Rhombus Concrete Limited | *[10-20]* | *[10-20]* |
| Lake Premix Limited | [0-10] | [0-10] |
| Sidai Concrete Limited | [0-10] | [0-10] |
| LandMark Limited | [0-10] | [0-10] |
| Homes Concrete Limited | [0-10] | [0-10] |
| Novam Limited | [0-10] | [0-10] |
| Others | [0-10] | [0-10] |
| **Total** | **100** | **100** |

50. The CID observed that as per Table 2, the Kenyan concrete and concrete product market is highly fragmented, with several players holding moderate market shares, indicating a competitive landscape. Alliance Concrete Limited leads the market with a [20-30] % market share, positioning it as the largest player. Onda Concrete Limited follows closely with a [20-30] % market share. Together, these two companies control nearly [redacted] of the market, which highlights their leadership position.

51. The target group, through Bamburi Special Products Limited, holds a [10-20] % market share, equal to that of Rhombus Concrete Limited. This positions both companies as key players, each with a significant, yet smaller, share compared to the top two competitors. Combined, the top four companies—Alliance Concrete, Onda Concrete, Bamburi Special Products, and Rhombus Concrete—control [redacted] of the market, showing that a large portion of the market is concentrated among these four players.

52. Other notable competitors include Lake Premix Limited with [0-10] % market share, followed by Sidai Concrete Limited, LandMark Limited, Homes Concrete Limited, and Novam Limited, each holding [0-10] %. These smaller players collectively account for [redacted] of the market. While individually small, together they represent a notable portion of the competitive landscape. The remaining [0-10] % is held by various other minor players, indicating the presence of localised competitors with limited market impact.

53. The CID considered that the market appears competitive, with no single company holding a dominant position. The market leader, Alliance Concrete Limited, commands a significant share but still faces strong competition from Onda Concrete and the target group. The presence of several mid-sized players suggests a market structure where competition is likely to remain healthy, with opportunities for smaller firms to challenge the larger players. Further it is observed that the existing market structure will remain unchanged since the acquirer does not have any presence in the production and supply of the broader concrete and concrete product market in Kenya.

54. The CID observed that in the market for the production and supply of various grades of grey cement, the merged entity will possess [0-10] % market share in Burundi and the DRC. It was observed that [redacted]% of the market share is controlled by a number other players, highlighting a fragmented market structure. The CID observed that the existing market structure for the production and supply of various grades of grey cement, as well as RMX concrete and precast concrete markets in Kenya, will remain unchanged since the acquirer has no presence in this market.

55. Therefore, the CID considered that it is unlikely that the proposed merger will lead to the creation of a dominant position that would enable the parties to engage in unilateral conduct in the market

56. Given that the proposed transaction will result in less than a [redacted] market share increase in Burundi and the DRC, and that the existing market structures in other affected Member States will remain unchanged, the proposed merger is unlikely to incentivize the merged entity to coordinate with competitors. Similarly, the markets for the production and supply of RMX and precast concrete products will remain unaffected, as the acquirer has no presence in this market. The CID considered that the proposed merger will neither facilitate nor create incentives for collusive behaviour among competitors in these relevant product markets.

## Consideration of Third-Party Views

57. Submissions were received from the national competition authorities of DRC and Zambia which did not raise any concerns in relation to the transaction. This is consistent with the CID's assessment, as presented above.

## Determination

58. The CID determined that the merger is not likely to substantially prevent or lessen competition in the Common Market or a substantial part of it, nor will it be contrary to public interest. The CID further determined that the transaction is unlikely to negatively affect trade between Member States.

59. The CID, therefore, approved the transaction.

60. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 20th day of October 2024

**Commissioner Dr Mahmoud Momtaz (Chairperson)**

**Commissioner Lloyds Vincent Nkhoma** **Commissioner Vipin Naugah**