



Kang'ombe House, 5th Floor
P.O. Box 30742
Lilongwe 3, Malawi
Tel: +265 (0) 111 772 466/529/530
Email- compcom@comesacompetition.org



Common Market for Eastern
and Southern Africa

18 February 2025

CCC Merger Inquiry Notice No. 12 of 2025

Notice of Inquiry into the Proposed Acquisition by CFAO Healthcare of 69.9% of the issued share capital of Africa Chemist & Beauty Care Inc.

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 Acquisition by CFAO Healthcare (“**CFAO**”) of Africa Chemist and Beauty Care Inc. (“**ACBC**”), intends to embark on an inquiry in terms of Article 26 of the Regulations.

The parties submitted that CFAO, a subsidiary of CFAO SAS (the “**CFAO Group**”), is involved in the wholesale distribution of pharmaceutical products, in the French overseas territory and in Africa. The CFAO Group is a key player in the mobility, healthcare, consumer goods, infrastructure and energy sectors. The parties further submitted that the CFAO Group partners with leading international brands and covers the entire value chain – imports, production and distribution – in line with the best international standards, drawing on 170 years of hands-on knowledge and local expertise. The CFAO Group pursues a two-fold strategy, focusing on manufacturing to promote local production, and distribution through its distribution network to offer tailored affordable products and services to people across Africa. In the Common Market, the CFAO Group operates in the Democratic Republic of Congo, Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Uganda, Zambia and Zimbabwe.

The parties submitted that ACBC is a holding company domiciled in Mauritius, which owns Goodlife Holdings Limited, Goodlife Pharmacy Limited in Kenya and Africa Chemist and Beauty Care Uganda Limited operating as Goodlife Pharmacy in Uganda. ACBC engages in the retail distribution of medicines, beauty and personal care products and provision of associated health services such as primary care consultations and pathology sample collection services through its subsidiaries in Kenya and Uganda. In the Common Market, ACBC operates in Kenya, Mauritius and Uganda.

The parties submitted that this transaction concerns the proposed acquisition by CFAO of a majority stake (of 69.9%) in ACBC from LeapFrog Investments and management shareholders, following which CFAO will acquire sole control over ACBC and its subsidiaries (Goodlife Holdings Limited, Goodlife Pharmacy Limited and Africa

Chemist and Beauty Care Uganda Limited. The parties further submitted that in March 2022 and December 2022, the CFAO Group through its member company, CFAO, acquired a minority interest of 30.10% in ACBC.

The parties submitted that the transaction aligns with CFAO's "African Growth Strategy" to deepen its reach in Kenya and Uganda, capitalizing on ACBC's established branch network in the region. The parties further submitted that the transaction offers ACBC Firm improved operational stability with a well-financed and knowledgeable strategic partner and allows it to offer an enhanced product range, enabled by the supply chain capabilities of CFAO. The parties also submitted that the transaction is expected to yield substantial economic benefits through enhanced supply chain capabilities enabling wider product selection, more affordable medicines, and broader market access in Kenya and Uganda.

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 in 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: sbundhun@comesacompetition.org. All written representations should be sent to the Commission not later than **11 March 2025**.

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. Sunjida Bundhun, Principal Analyst, Competition Division** on Tel: +265 (0) 111 772 466 or sbundhun@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.