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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/ MER/04/16/2025

**Decision¹ of the 119th Meeting of the Committee Responsible
for Initial Determinations Regarding the Proposed Acquisition
by Koryfes S.A. of Sarrchem International Limited and
Sarrchem International (Uganda) Limited**

ECONOMIC SECTOR: Manufacturing and Distribution (Plastic)



03 August 2025

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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

Having regard to the COMESA Merger Assessment Guidelines of 2014;

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;

Desirous of the overriding COMESA Treaty objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration;

Determines as follows:

Introduction and Relevant Background

1. On 20 May 2025, the COMESA Competition Commission (“**the Commission**”) received a notification of the proposed acquisition by Koryfes S.A. (“**Koryfes**” or “**Primary Acquiring Firm**”), a 100% owned subsidiary of Ravago S.A. (“**Ravago**” or the “**Ultimate Acquiring Firm**”) of Sarrchem International Limited (“**Sarrchem Kenya**”) and Sarrchem International (Uganda) Limited (“**Sarrchem Uganda**”) (together, the “**Target Firms**”), 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.



The Parties

Koryfes (the “Primary Acquiring Firm”)

4. Koryfes is a *société anonyme*² incorporated and organised under the Laws of Luxembourg. Ravago, the ultimate Acquiring Firm, is also a *société anonyme* incorporated and organised under the laws of Luxembourg. The parties submitted that Koryfes’s principal business is the distribution of plastics, rubber and chemicals and provides polymers within the Common Market.
5. The parties submitted that on a global level, the acquiring group the following products and services:
 - a. Resale of plastics, natural and synthetic rubbers as well as chemicals;
 - b. Distribution of chemical products, engineering plastics, rubber and custom compounds;
 - c. Recycling and compounding services (which includes compounding of polymers, recycling, tolling and micronization);
 - d. Finishing compounds, including the distribution and development of specialised construction products and systems;
 - e. Logistic services; and
 - f. Trading services of all Ravago’s products.
6. In respect of the supply of plastic polymers, Ravago derives turnover in the following COMESA Member States: Democratic Republic of Congo (“**DRC**”), Djibouti, Egypt, Eswatini, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Tunisia, Uganda, Zambia and Zimbabwe. The parties submitted that Ravago mainly provides plastic polymers within the Common Market as follows:
 - a. polyethylene terephthalate (“**PET**”),
 - b. high density polyethylene (“**HDPE**”),
 - c. low-density polyethylene (“**LDPE**”),
 - d. linear low-density polyethylene (“**LLDPE**”),
 - e. cross-linked polyethylene (“**XPE**”),
 - f. polystyrene (“**PS**”),
 - g. expanded polystyrene (“**EPS**”),
 - h. polyvinyl chloride (“**PVC**”), and

² A public limited company



- i. polypropylene (“PP”).

Sarrchem Kenya and Sarrchem Uganda (the “Target Firms”)

- 7. Sarrchem Kenya, is a limited liability company incorporated under the laws of Kenya while Sarrchem Uganda is a limited liability company incorporated under the laws of Uganda.
- 8. The parties submitted that Sarrchem Kenya and Sarrchem Uganda are active in the supply of plastic polymer raw materials in Kenya and Uganda respectively, including the following:
 - i. PET;
 - ii. HDPE;
 - iii. LDPE;
 - iv. LLDPE;
 - v. XPE;
 - vi. PS;
 - vii. EPS;
 - viii. PVC;
 - ix. PP.
- 9. The parties submitted that Sarrchem Uganda also operates, to a limited extent, in DRC and Rwanda through exports.

Jurisdiction of the Commission

- 10. 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:

“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”.

11. 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 CID 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

12. The notified transaction entails the acquisition by Ravago, through its wholly owned subsidiary, Koryfes, of ■% of the issued share capital in Sarrchem Kenya and Sarrchem Uganda.

Competition Analysis

Consideration of the Relevant Markets

Relevant Product Market

13. 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”***.
14. The CID noted that the acquiring group is active in the distribution of plastics, rubber and chemicals in the Common Market as well as in the production of plastics and rubber predominantly in Europe and the Americas. Within the Common Market, the Acquiring Group mainly provides plastic polymers such as PET, HDPE, LDPE, LLDPE, XPE, PS, EPS, PVC and PP. The Target Firms are active in the global supply of plastics, including in the Common Market and supply the following plastic polymers PET, HDPE, LDPE, LLDPE, XPE, PS, EPS, PVC and PP.
15. The CID observed that there is a horizontal overlap between the activities of merging parties. Further, there is a potential vertical overlap between the activities of the merging parties given the acquiring group is active in the manufacture of plastics. The CID focused its assessment on the market for manufacture and the distribution of plastics.



The manufacture of plastics

16. The acquiring group produces plastics and rubber predominantly in Europe and America and does not own nor operate any plastic polymers production plants within the Common Market.
17. The CID observed that the raw materials used to produce plastic can be sourced from natural gas, petroleum or plants. The CID further observed that plastics are manufactured from two main processes namely, polymerisation and polycondensation with each of these processes requiring distinct catalysts.
18. CID noted that for instance, during the polymerisation process, monomers such as ethylene and propylene are combined to form long polymer chains. Each polymer has its own properties, structure and size depending on the various types of basic monomers used. Plastics are hence polymers, which are chemical compounds with large molecules. The size of the molecules, their physical state, and the structure they adopt give the plastic its characteristics, its shape, and its flexibility.³
19. **In view of the above, the CID considered the manufacture and supply of plastic polymers as a distinct relevant market.**

The distribution of plastic polymers

20. In **Ravago/Emeraude merger**⁴, the CID observed that plastic polymers can be divided into two distinct categories, namely thermosetting plastics and thermoplastics. Thermosetting plastics are plastics that get heat-hardened into a permanent design when exposed to heat, and they remain in that fixed form even when re-heated. They cannot be reprocessed upon reheating and if exposed to extreme temperatures they will burn rather than melt. Thermosetting plastics include Polyurethane (PUR), cross-linked Polyethylene (XPE), Epoxy resins, Phenolic resins, Acrylic resins and certain Polyesters.
21. Thermoplastics on the other hand are plastics that can be reheated and reshaped and encompass a wide range of materials such as Polyethylene ("PE"), Polypropylene ("PP"), Polystyrene ("PS"), Polyvinyl chloride ("PVC"), Polyethylene Terephthalate ("PET"), Expanded Polystyrene ("EPS"), Polymethyl Methacrylate ("PMMA"), and Polyetheretherketone ("PEEK").
22. From the merger filing the CID observed that the merging parties both supply thermoplastics namely PET, HDPE, LDPE, LLDPE, PS, EPS, PVC and PP within the Common Market. The CID further observed that the merging parties both supply thermosets such as XPE. Each type of thermoplastics and thermosets has different

³ Rodriguez, F. (2023). plastic. Encyclopedia Britannica. Available at: www.britannica.com/science/plastic

⁴ Case File No. CCC/MER/01/01/2023 - Merger involving Ravago S.A. and Emeraude 3.0 approved by the CID on 30 April 2023



characteristics and different usages which are likely to limit substitutability and thus each type can form a separate market.⁵

23. The CID noted that PE and PP are members of the polyolefin resins, which is a family of thermoplastics derived from a particular group of base chemicals known as olefins. Polyolefin based products are derived from basic chemicals (propylene and ethylene) through polymerisation, a process through which monomers (olefins) react with each other to produce long chains of repeated series of monomers (polymers).⁶ PE and PP are amongst the world's most widely used plastics.
24. The CID observed that the PE market can be further segmented into HDPE, LDPE and LLDPE due to the difference in the temperature and the pressure each undergoes in manufacturing process, the difference in their characteristics, properties, and applications.⁷
25. The CID noted that HDPE has high crystallinity and is stiffer compared to LDPE, and it has better chemical resistance and lower permeability to gases and vapours. Similarly, LLDPE is stronger, but it is also less flexible and less transparent compared to LDPE.⁸ It also offers some advantages over LDPE in its ability to downgauge films, and to improve tear, and heat resistance and stiffness for injection moulded parts. Furthermore, HDPE, LDPE and LLDPE present different characteristics due to the differences in the production methods adopted to produce them.⁹ Therefore, the CID observed that substitution on the demand side or supply side is unlikely to take place in a timely and sufficient manner in response to a small but significant change in price or other conditions of competition.
26. The CID noted that from a demand-side perspective, the use of the three materials is not similar; HDPE is mainly used for rigid bottles, LDPE is used in more flexible and softer plastic products such as film applications, and LLDPE is considered as a hybrid between HDPE and LDPE, and it is used in coating applications to protect liquid containers' content. Moreover, for specific applications, LDPE is completely not substitutable with LLDPE in extrusion coating.¹⁰
27. The CID further considered each category of plastics as further discuss below: -

High-density Polyethylene (HDPE)

28. HDPE is a synthetic resin made from the polymerization of ethylene. It is manufactured at low temperatures and pressures. HDPE is characterized by having good resistance to chemicals, being strong, durable, and versatile. It is widely used

⁵ The DG Comp has identified different product markets for each material of thermoplastics in Case No COMP/M.4744 - Ineos / Borealis; Case No COMP/M.4848 - Basell / Lyondell

⁶ Case COMP/M.1751 - Shell/BASF/Project Nicole

⁷ Ibid

⁸ Case No IV/M.550 - Union Carbide / Enichem

⁹ In the assessment of the Ravago/Emeraude merger, the CID further noted the distinction see CID Decision on <https://www.comesacompetition.org/wp-content/uploads/2023/01/CID-Decision-Ravago-and-Emeraude.pdf>

¹⁰ Case N° IV/33.640 Exxon/Shell, OJ L144.20



for making rigid products and in infrastructure segment, as well as flexible packaging such as milk and juice containers, carry bags, caps for food packaging, motor oil and cleaning products, and pipes for water and gas transportation.

Low-density Polyethylene (LDPE)

29. LDPE is a category of PE with relatively weak intermolecular forces. It is a resin that is manufactured by high pressure processes. LDPE is characterized by high clarity, flexibility, and good water and vapour properties. LDPE is less stiff compared to HDPE and has a higher permeability to gases and vapours. LDPE is primarily used in film and coating applications, and wire and cables.

Linear Low-Density Polyethylene (LLDPE)

30. LLDPE is a thermoplastic that is developed as a low-pressure manufacturing alternative to the high-pressure LDPE processes. LLDPE is characterized by its softness, lightweight, and it is used in flexible packaging, films, food and garment packaging, and wire and cables.
31. The CID further noted that within the LLDPE family, several variations can be identified depending on the co-polymer used in the manufacturing process, such as: LLDPE Butene C4 ("**C4 LLDPE**"), LLDPE Hexene C6 ("**C6 LLDPE**") and LLDPE Octene C8 ("**C8 LLDPE**"). C4 LLDPE is considered as a standard PE, while C6 LLDPE and C8 LLDPE are considered as a high-performance PE.¹¹ The toughness of the LLDPE is highly dependent on the short chain branch length, which is determined by the co-monomer used. A C6 co-monomer has a longer short chain branch length than a C4 co-monomer.¹² Moreover, C6 LLDPE is characterized by having an enhanced level of toughness and tear resistance which can allow for significant down gauging compared to C4 LLDPE materials.¹³
32. From a supply-side perspective, C8 LLDPE can be differentiated from other LLDPE grades in the volatility of the copolymer Octene which can be only made by a solution process or a slurry process, rather than the high pressure and gas phase processes used for the manufacture of other grades of LLDPE. Further, C8 LLDPE is particularly suitable for power stretch film, multi-layer food packaging and laminated films compared to other LLDPE grades. Furthermore, C8 LLDPE offers the highest performance in terms of mechanical properties, and cling effect for stretch film. Consequently, producers of other grades of LLDPE cannot switch their production to C8 LLDPE in a timely manner and without incurring additional capital investments, because only producers operating solution processes will be able to

¹¹ Polyethylene. Resinex. Available at: www.resinex.co.uk/polymer-types/pe.html. Accessed 20 February 2023

¹² What is C6. Alkatuff. Available at: <https://alkatuff.com.au/faq-items/what-is-c6/>. Accessed 20 February 2023

¹³ Hexene (C6) LLDPE Film. INEOS Olefines and Polymers. Available at: www.distrupol.com/ineos_op_hexene_c6_lldpe.pdf. Accessed 20 February 2023



produce C8 LLDPE.¹⁴ Consequently, C8 LLDPE is more likely to be considered a distinct relevant market.

33. The CID noted that C4 LLDPE and C6 LLDPE, they have similar characteristics because they are both produced by low pressure processes. The CID further noted that both are used for many of the same applications and there is a high degree of supply-side substitutability. Based on the above-mentioned reasons, these two products can be considered as the same relevant product market.¹⁵
34. The above notwithstanding and consistent with its precedent in the ***Ravago/Emeraude*** merger, the CID considered that it was not necessary to segment the market further as this would not alter the assessment. **The relevant market was therefore considered as the distribution of LLDPE.**

Polypropylene (PP)

35. The CID observed that PP is a thermoplastic which is derived from propylene. It is considered as one of the lightest polyolefins, and it is characterized by its outstanding mechanical properties and ease of processability. PP is mainly used in automotive parts, battery casing, food packaging and medical syringes.
36. The CID further observed that PP can be further segmented into PP resins and PP compounds. PP resins are characterized by being colourless, odourless, and translucent. PP compounds are PP resins which have been blended with other materials to change the performance characteristics of the product.
37. The CID noted that PP resins can be further segmented into homopolymers (HPP), random copolymers (RCP) and impact (or block) copolymers. The three types of PP are made by polymerizing propylene, although ethylene is also added during the polymerization of impact and random copolymers.
38. The CID observed that from a demand-side perspective, the characteristic and end uses of the three types of PP resins are different. HPP is characterized by being more rigid and having better resistance to high temperature compared to copolymers, so it can be used to design thinner sections for equivalent stiffness. But their impact strength is inferior. HPP is widely used in film packaging, containers, and as fibre for carpets and disposable non-wovens. The CID further observed that RCP on the other hand, is characterized by being transparent, very tough at ambient temperature, good resistance to heat distortion and ease of processing. It is easier to process than HPP in sealing and welding. RCP can be used in film, food packaging and heat sealable layers. As for impact copolymers, they can be classified according to their rubber content as medium impact, high impact, super high impact, or thermoplastic elastomers. They are suitable for applications where

¹⁴ Case No IV/M.708 - Exxon / DSM, Case No COMP/M.1671 – Dow chemical / Union carbide

¹⁵ Case No COMP/M.1671 – Dow chemical / Union carbide, Case No COMP/M.4848 - Basell / Lyondell, Case COMP/M.2806 – SABIC/DSM Petrochemicals



very high impact strength is required. Impact copolymers are widely used in automotive exteriors and industrial applications.¹⁶

39. The three types of PP resins also differ in terms of viscosity and crystallinity and overall characteristics, accordingly, they differ in their intended use and their price. Therefore, the three types cannot be considered as interchangeable from the demand side.
40. Nevertheless, from a supply-side perspective, the CID noted that there is a high degree of substitutability in the supply of HPP and RCP because they can be both produced in the same reactor (homopolymer reactor). But the production of impact copolymers needs a second reactor (copolymer reactor). Consequently, limited supply-side substitutability exists between impact copolymers and the other two types HPP and RCP. However, PP manufacturers may easily switch production from one grade of PP to another by varying the conditions of polymerization such as the reactor pressure and the temperature or by using different additives.
41. **In view of the foregoing, the CID considered the relevant market broadly as the distribution of PP.**

Polystyrene (PS)

42. The CID noted that PS is a synthetic resin produced by the polymerization of styrene. It is characterized by being hard, stiff, brilliantly transparent, and it provides good dimensional stability. PS is commonly used in the food-service industry such as in rigid food trays and containers, household appliances, disposable eating utensils, foamed cups, plates, bowls, and white goods.
43. The CID further noted PS may be further segmented into specific grades that differ in their processing conditions such as the temperature and pressure, and in their use of other chemicals such as initiators, additives, and synthetic rubbers. PS can be segmented into high impact polystyrene (HIPS) and general-purpose polystyrene (GPPS). GPPS is characterized by being transparent and rigid, HIPS is characterized by being translucent and breakage resistant. HIPS is considered as GPPS with around 5-10% rubber incorporated through a grafting process prior to polymerisation.¹⁷
44. From a demand-side perspective, the CID observed that HIPS and GPPS may be used interchangeably. If the relative price of one grade of PS changes, customers who blend HIPS and GPPS may have some flexibility to change the respective proportions in the blend, provided that the mechanical properties of the blend meet their requirements.

¹⁶ Case COMP/M.1751 - Shell/BASF/Project Nicole, Case No COMP/M.4744 - INEOS / BOREALIS, Case No IV/M.269 Shell/Montecatini

¹⁷ Case COMP/M.6093 - BASF / INEOS / Styrene / JV, Case M.8015 - Synthos / Ineos styrenics



45. From a supply-side perspective, the CID observed that since HIPS is obtained by incorporating rubber in GPPS, GPPS can be made on any HIPS line, further, most plants have both GPPS and HIPS lines. Moreover, most producers produce both GPPS and HIPS, and they can vary the production between the two products based on relative demand.
46. The CID considered that the exact product market definition could be left open since the transaction does not raise competition concerns irrespective of the market definition.

Expanded Polystyrene (EPS)

47. The CID noted that Expanded Polystyrene (EPS) is a lightweight cellular plastic material consisting of small hollow spherical balls.¹⁸ EPS is produced in a wide range of densities and provides varying ranges of physical properties which are matched to the various applications where the material is used to optimise its performance and strength.
48. The CID further noted that EPS is used widely in the building and construction industry. EPS is an inert material that does not rot and provides no nutritional benefits to vermin therefore does not attract pests such as rats or termites. Its strength, durability and lightweight nature makes it a versatile and popular building product. Applications include insulated panel systems for walls, roofs and floors as well as facades for both domestic and commercial buildings. It is also used as a void-forming fill material in civil engineering projects, as a lightweight fill in road and railway construction, and as floatation material in the construction of pontoons and marinas.
49. **Given the distinct intended usage the CID considered the distribution of EPS as a distinct relevant market.**

Polyvinyl Chloride (PVC)

50. The CID noted that PVC is a synthetic resin made from the polymerization of chloride vinyl. The production of PVC uses chloride monomer as a feedstock which is produced from ethylene and chlorine. PVC is largely used in the construction industry, specifically for pipes, moulded fittings, and profiles such as door and window frames, it is also used in fashion, footwear, packing, credit cards, toys, and sporting goods.¹⁹
51. The CID further noted that PVC can be segmented into two types based on the production process, which are suspension PVC (S-PVC) and emulsion PVC (E-PVC). S-PVC the most common type of PVC resin, it is produced via the polymerization of vinyl chloride monomer (VCM) in water with an initiator. It is used

¹⁸ <https://epsa.org.au/what-is-eps/> accessed on 1 July 2025

¹⁹ Case No. M.6563 Mexichem SIH/Wavin (2012), Case No. M.6905 Ineos/Solvay/JV



for both rigid and flexible end applications. Rigid applications include pipes, moulded fittings, and profiles such as window and door frames, while flexible applications include films, sheets, and cable insulation. E-PVC is mainly used for coating applications such as PVC coated fabrics.

52. From a supply-side perspective, the CID observed that S-PVC and E-PVC differ in their technical properties, therefore, producers cannot switch from producing one to the other in a timely manner and without incurring significant costs. Similarly, from a demand-side perspective, customers use the two products for different purposes, and consequently, they cannot switch from one product to the other in a timely manner.
53. Consequently, the CID concluded that E-PVC and S-PVC constitute two separate product markets.
54. The CID observed that S-PVC can be segmented further into commodity S-PVC, specialty S-PVC and extender S-PVC. Commodity S-PVC is the most common use of PVC. This PVC resin is used in the production of pipes, since Commodity S-PVC resin has the right molecular weight and process characteristics. Commodity S-PVC is also used in the production of rigid profiles such as slidings and windows. Specialty S-PVC resins on the other hand are used for both rigid as well as flexible applications. Rigid applications are bottles, sheets, fittings, while flexible applications are wire and cable film, flexible profiles and tubes, coating. Extender S-PVC is used for dispersion resins to provide specific plastisols and compound characteristics, it is also used to reduce costs and to improve physical properties.
55. The CID considered that demand side substitutability is limited between extender S-PVC and specialty S-PVC and commodity S-PVC due to the difference in the features of each product such as properties, pricing, and applications. On supply substitutability, the CID considered that it was also limited since the three types of S-PVC differ in their production processes and supplier structure. The production lines used to produce extender S-PVC and specialty S-PVC can be used to produce commodity S-PVC, however, the reverse cannot be applied, unless appropriate equipment such as drying units, co-monomer injection lines and monomer recovery units is already installed.
56. **Based on the above, the CID considered that E-PVC and S-PVC (which can further be narrowed to commodity S-PVC, specialty S-PVC and extender S-PVC) constituted separate product markets.**

Polyethylene Terephthalate (PET)

57. The CID noted that PET is a synthetic fibre and resin and a member of the polyester family of polymers that is produced by the polymerization of ethylene glycol and terephthalic acid. It is characterized by being strong and stiff. PET is mostly used in



manufacturing packaging materials for beverages and liquids, and it can also be used in making very fine filaments such as carpets.²⁰

58. The CID further noted that PET can be further segmented into three categories which are packaging resin (bottle grade), polyester textile chip (fibre grade) and film polymer (film grade). But from a supply-side perspective, all producers can produce all PET categories, and there are very small differences in the production costs of the different PET grades. The small difference in cost results from the slight difference in terms of quality and viscosity among the different PET grades. Furthermore, from a demand-side perspective, there is a little difference in the price of different PET grades.
59. **Consequently, the different grades of PET may form part of the same relevant market thus PET is considered as a relevant product market.**

Cross-linked Polyethylene XPE

60. The CID observed that Cross linked polyethylene is a synthetic plastic variant made from polyethylene resin.²¹ Cross linked polyethylene is frequently abbreviated XLPE or PEX, where PEX is used to refer to pipes and tubing and XLPE to storage tanks. Cross linked polyethylene is a carbon-based polymer plastic, meaning a connected set of individual repeating molecule units bound together to form a material that can be used to make products.
61. Premised on the above, the CID considered that for the purposes of this transaction and given the parties' overlap, the relevant product markets are construed as:
- a) The manufacture and supply of plastic polymers;
 - b) The distribution of HDPE;
 - c) The distribution of LDPE;
 - d) The distribution of LLDPE;
 - e) The distribution of PP;
 - f) The distribution of PS;
 - g) The distribution of E-PVC;
 - h) The distribution of S-PVC (with possible segmentation to commodity S-PVC, specialty S-PVC and extender S-PVC);
 - i) The Distribution of XPE; and
 - j) The distribution of PET.

Relevant Geographic Market

62. The COMESA Guidelines on Market Definition define the relevant geographic market as comprising ***“...the area in which the undertakings concerned are involved in the supply and demand of products or services, in which the***

²⁰ COMP/M.7484 - Plastipak/ APPE

²¹ <https://www.ntotank.com/blog/what-is-cross-linked-polyethylene>



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”.²²

63. The CID observed that there is no manufacture of plastic in the Common Market, however, plastics are imported by Member States for further processing into final products. The Commission further observed from the merger filing that the merging parties are both present in Kenya and Uganda. In Kenya the merging parties' activities overlap in the supply of HDPE, LDPE, LLDPE, PP and PET while in Uganda their activities overlap in the supply of HDPE, LDPE, LLDPE, PP and PVC (S-PVC and E-PVC).
64. The CID noted that the major players in the manufacture of plastics operate at global level, and the imports are therefore coming from players outside the Common Market. It is therefore not impracticable for the distributors of plastic polymers to access such products from outside the Common Market. For this reason, it is considered that the market is global.
65. The CID also noted that the parties distribute their relevant products in a broad range of Member States. The Commission further noted that plastic polymers are imported into the Common Market from countries which are outside the Common Market. The CID also that the importation of the products is characterized by low barriers given the ease with which the products enter the Common Market.
66. The CID considered that the relevant geographic markets for the distribution of the different plastic polymers were likely to be wider than the Common Market. Suppliers of plastic polymers in the Common Market are likely to face competition from imports originating from the Common Market and beyond. While the importation of the relevant products in most Member States may be subject to Government regulations such as licensing and compliance with safety standards, these requirements are likely to be attainable and not prohibitive to prevent trade from taking place.
67. The CID further noted that the major players in the manufacture of plastic polymers operate at global level, and there are imports coming from players operating at a global level into the Common Market which demonstrates that the geographic scope of the market is likely to be broader than the Common Market and may even be global.
68. Premised on the foregoing discussions, and for purposes of this transaction, the CID concluded that the relevant geographic markets for manufacture and distribution of the various plastics are global.

²² Paragraph 8 of the COMESA Guidelines on Market Definition



Conclusion on Relevant Markets

69. Based on the foregoing assessment, and without prejudice to the CID's approach in similar future cases, the relevant markets were identified as:
- a) the global market for manufacture and supply of plastic polymers
 - b) the global distribution of HDPE
 - c) the global distribution of LDPE
 - d) the global distribution of LLDPE
 - e) the global distribution of PP
 - f) the global distribution of PS
 - g) the global distribution of E-PVC
 - h) the global distribution of S-PVC (with possible segmentation to commodity S-PVC, specialty S-PVC and extender S-PVC)
 - i) the global distribution of XPE
 - j) the global distribution of PET

Consideration of Substantial Lessening of Competition or "Effect" Test Market Shares and Concentration

70. The CID observed from the merger filing that notwithstanding the markets being global, in the Common Market the merging parties were both active in Kenya and Uganda and to a limited extent in DRC and Rwanda where Sarrchem Uganda exports.
71. The CID observed that the transaction raises horizontal overlaps in the Kenyan market in relevant product markets of HDPE, LDPE, LLDPE, PP and PET with the post-merger market shares of the merged entity between [5 – 25] % respectively.
72. The CID however considered that the overlaps do not result in significant market share accretion. Further, the affected markets in Kenya were characterised by other significant players such as Tricon, Snetor, Borouge, Sabic and Sara. These competitors are likely to continue to offer a competitive constraint to the merged entity.
73. The CID also noted that in Uganda both parties were active across various markets namely distribution of HDPE, LDPE, LLDPE, PP and PVC where the merged entity will hold market shares between [0 – 30] % respectively.
74. The CID considered that merger will not result in significant market share accretion in Uganda except in for distribution of HDPE where the post-merger market share will be [less than 30] %. The CID considered the market share accretion for HDPE in Uganda will not result in the emergence of a dominant player as this will fall below the threshold of 30% market shares set in the Commission's Guidelines on Abuse of Dominance. The CID observed that the markets in Uganda will remain competitive



with alternative suppliers of the relevant products such as Tricon, Snetor, Sabic and Sara.

75. Within the rest of the Member States where the parties have operations, the CID observed the market structure was unlikely to change, post-merger.
76. In view of the above, the CID concluded that the proposed transaction is not likely to raise competition concerns in the Common Market given the limited market share accretion that will arise in some of the relevant markets. The CID also considered that given the global nature of the relevant markets, competition concerns are not likely to arise since the merger parties will continue to face competition from global players, namely Tricon, Sabic, Snetor, and Sara which already actively distribute polymers in the Common Market.

Consideration of Third-Party Views

77. In arriving at its determination, the CID also considered submissions from the national competition authorities of Egypt, Eswatini, Kenya, Malawi, Mauritius, Zambia and Zimbabwe which confirmed the absence of competition and public interest concerns in their respective territories as a result of this transaction.

Determination

78. 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.
79. The CID, therefore, approved the transaction.
80. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 3rd day of August 2025

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Vipin Naugah

