



Case File No. CCC/MER/07/25/2025

Decision¹ of the 126th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Acquisition of Delta Holdings B.V by PEF Pharaoh Limited

ECONOMIC SECTOR: Manufacturing



15 April 2026

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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

Pursuant to Article 13(4) of the COMESA Competition Regulations of 2004 (the “**Regulations**”), there is established a Committee Responsible for Initial Determinations, referred to as the CID which:

Desirous of the overruling objective of strengthening and achieving convergence of COMESA Member States’ economies through the attainment of full market integration as enshrined in the Treaty Establishing the Common Market for Eastern and Southern Africa (the “**Treaty**”);

Cognisant of Article 55 of the Treaty;

Having regard to 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.

Determines as follows:

Introduction and Relevant Background

1. On 31 July 2025, the COMESA Competition Commission (“**Commission**”) received a notification for approval of a merger involving the Proposed Acquisition of Control of Delta Holdings B.V. (**Delta Holdings**, the “**Target Firm**”) by SPE PEF III, LP (“**SPE Capital**”), Société De Promotion Et De Participation Pour La Coopération Économique S.A. (“**Proparco**”) and Amethis MENA Fund II SICAV-RAIF S.C.A. (“**Amethis**”) through PEF Pharaoh Limited (together the “**Acquiring Group**”), pursuant to Article 24(1) of the Regulations.
2. The CID observed that the parties notified the merger to the Commission beyond 30 days of their decision to merge, in breach of Article 24(1) of the Regulations.
3. The 120-days period for the assessment of the transaction expired on 1 December 2025. The Committee Responsible for Initial Determination (“**CID**”), at its 121st Meeting



granted an extension of sixty (60) days to the statutory timeline, starting from 2 December 2025 until 16 February 2026 to enable the Commission to finalise its investigation of the breach of Article 24(1) of the Regulations. The CID at its 123rd Meeting held on 5 – 6 December 2025 granted a further extension of 60 days, starting from 17 February 2026 to 22 April 2026, in line with the tenet of natural justice to allow the parties sufficient time to submit their written submissions on the Commission's assessment of their compliance with Article 24(1) of the Regulations and for the Commission to conclude its assessment of the notified transaction.

4. The CID has assessed the parties' compliance with Article 24(1) of the Regulations separately.
5. 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.

The Parties

PEF Pharaoh (the "Acquiring Firm")

6. PEF Pharaoh is a company incorporated under the laws of Mauritius. PEF Pharaoh has been newly established in 2025 and is not operational yet. PEF Pharaoh is the direct acquirer in this transaction.
7. The indirect acquirers in the transaction are the shareholders of PEF Pharaoh, namely, SPE PEF, Proparco and Amethis. The Acquiring Firm, SPE PEF, Proparco and Amethis are together referred to as the Acquiring Group.
8. SPE PEF is a private equity firm focused on growth investments and is active in the markets of microfinance, consumer finance and medical industry across Africa and the Middle East. Within the Common Market, SPE Capital has investments in portfolio companies which provide the following products/services: pharmaceutical, leasing, factoring, consumer finance, financing solutions to micro, small, and medium enterprises, fitness services, schools and education, healthcare supplements and payment solutions.
9. Proparco is the private sector financing arm of the French Development Agency and is focused on supporting sustainable economic development. It provides funding and support to both businesses and financial institutions across several regions. Within the Common Market, Proparco has investment in portfolio companies which provide the following products/services: financial services (SME and retail banking), pay-as-you-go solar energy, banking and SME financing, agricultural, off-grid solar energy solutions, consumer finance and leasing, private healthcare services, solar energy financing, agribusiness and food distribution.



10. Amethis is an investment fund active in the medical market, non-banking financial services sector, technology sector and textiles sector. Within the Common Market, Amethis has investment in portfolio companies which provide the following products/services: pharmaceutical products, leasing, factoring, consumer finance, financing solutions to MSMEs, data consulting and strategy services, artificial intelligence services, data management, clothing, hospitality textiles, fabrics and hospitality.
11. In the Common Market, the Acquiring Group operates in Burundi, Comoros, the Democratic Republic of Congo (“**DRC**”), Djibouti, Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Sudan, Tunisia, Uganda, Zambia and Zimbabwe.

Delta Holdings (the “Target Firm”)

12. The Target Firm is a company incorporated under the laws of the Netherlands and is a specialty chemicals manufacturer in Egypt. Delta Holdings’ fully owned subsidiary, namely DS Specialty Chemicals, is active in the market for control additives. Delta Holdings DS Specialty Chemicals are together referred as the Target Group.

Jurisdiction of the Commission

13. 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”.*

14. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD50 million in the Common Market and they each derived a turnover of more than USD10 million in the Common Market. In addition, the parties do not derive/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

15. The notified transaction concerns the proposed acquisition of 83% shareholding of Delta Holdings by PEF Pharaoh Limited.

Competition Analysis

Consideration of the Relevant Markets

16. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the CID is guided by the COMESA Guidelines on Market Definition and other authorities on the subject.

Relevant Product Market

17. The CID noted that, **“a relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer, by reason of the products' characteristics, their prices and their intended use”**.²
18. The CID noted that there was no overlap in the activities of the merging parties in the Common Market. To this end, in line with paragraph 8.4 of the COMESA Merger Assessment Guidelines, the CID determined the relevant markets in conjunction with applicable theories of harm, including non-coordinated and coordinated effects.
19. The CID noted that coating additives refer to a category of specialized chemical substances that are added in small amounts to paint to improve its performance, processing and appearance. These chemical substances which, do not alter the structure and chemical composition of the paint provide enhanced functional benefits that makes the end product more durable, easier to apply and more attractive. The CID further noted that coating additives make paints better by:
 - i. preventing it to foam during manufacturing and application;
 - ii. enhancing its properties, making it smoother and more vibrant; and
 - iii. enhancing its durability and resistance to fungi, scratches and ultraviolet light.
20. The CID observed that several products form part of the broad category of coating additives. The CID noted that the Target Firm supplies the following products within the coating additives segment: foam control additives, surface control additives, dispersion control additives, specialty control additives and driers and catalysts.
21. The CID observed that foam control additives prevent or eliminate foam during mixing or application of the end product. Foam control additives are used in a number of industries, including, food and beverage industry, consumer goods, pharmaceutical products and paints. Their formulation comprises of an active defoaming agent, a

² Paragraph 7 of the COMESA Guidelines on Market Definition



carrier and emulsifiers. On the supply side, foam control additives can be produced using different raw materials, including polymer, silicone and mineral oil. The end usage of the product will determine the type of raw material required. For instance, paints require an oil-based foam control additive. On the demand side therefore, the industry in which the foam control additive is being used will determine the type of foam control additive required.

22. The CID noted that in paints, foam is created when air is trapped in the paint mixture and is stabilised by the other ingredients in the paint to form an air bubble. Foam is undesired in paints because it compromises the quality and finishing of the end product. Paint being in a liquid form, is likely to foam when mixed prior to application. Foam control additives are therefore added to reduce foam and to break air bubbles making the paint smooth prior to application.
23. The CID noted that surface control additives are chemicals which are added to paints and coatings to enhance their surface properties to create a smooth, flawless and durable surface finish after the coating has been applied and dried. Surface control additives will prevent visible paint brush marks, pinholes and craters on the area on which the paint is applied. Surface control additives therefore enhance the quality of the paint and coating by improving its finishing properties and this is particularly required for instance in coating used in automobiles. Similar to foam control additives, surface control additives can be produced using different raw materials, such as silicon, acrylic or wax. Like foam control additives, the end usage of the paint will determine the types of surface control additive that will be used. For instance, if the paint or coating is required to be used on concrete or plastered wall, it is important to use paint which have anti-cratering agents, that is, to prevent the receding of paint when applied to the surface causing pinholes or small craters. Anti-cratering surface control additives are typically made from silicone. If the paint or coating is required to be used on an automobile, then a wax-based surface control additives is required to ensure the glossy finish of the end product.
24. The CID observed that dispersion control additives are used to allow colour pigments, fillers and other particles of the ingredients to disperse uniformly in the manufacturing of the paint or coating. Dispersion control additives prevent the clumping of the particles in paints and coating as this results in poor colour strength, uneven appearance and weak formulations. When added to paints and coatings, dispersion control additives increase the shelf life of the product, and the paint or coating does not settle and clump in its packaging.
25. The CID noted that specialty control additives are custom-tailored functional enhancers in coatings and paints which perform beyond the basic control additives.
26. The CID observed that drier additives are added to paints and coatings to speed up the drying time of the products in its end usage. Catalysts are added to paints and



coatings to accelerate chemical curing reactions of the products in its end usage in order to speed up crosslinking reactions of the ingredients.

27. From the above, the CID was of the view that the broad coating control additives market can be segmented into different products depending on the end usage of the chemical. For instance, foam control additives do not serve the same purpose as dispersion control additives. This notwithstanding, all coating additives are used for one single purpose, which is to increase the performance of the paint or coating making the end product smooth, visually appealing, more durable and resistant and increase its shelf life. While the CID acknowledged that there may exist sub-markets within the broad coating additives market, noting however the absence of overlap in the activities of the merging parties, the CID considered that it is not necessary to segment the broad coatings additives market according to the individual additive since this not likely to alter the competitive assessment of the proposed transaction.
28. In view of the above and considering that only the Target Firm is active in the provision of coating additives, the CID deemed the relevant product market as **the market for the supply of coating control additives**.

Relevant Geographic Market

29. The CID noted that Paragraph 8 of the Market Definition Guidelines defines the relevant geographic market as, “...**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**”.
30. The CID considered that the geographic scope for the supply of coating additives is likely to be global as most suppliers operate on a global scale. The CID observed that the main suppliers of coating additives are global players, mainly from North America, Asia and Europe including³:
 - i. Allnex GMBH;
 - ii. ALTANA AG;
 - iii. Arkema S.A.;
 - iv. Ashland Inc.;
 - v. BASF SE;
 - vi. Clariant AG;



³ Polaris Market Research, 'Coating Additives Market Size to Hit USD 11.86 Billion by 2032 with a CAGR of 4.4%' www.globenewswire.com/news-release/2024/09/03/2939708/0/en/Coating-Additives-Market-Size-to-Hit-USD-11-86-Billion-by-2032-with-a-CAGR-of-4-4-Polaris-Market-Research.html accessed 10 September 2025

- vii. Dow Inc;
 - viii. Eastman Chemical Company;
 - ix. Elementis global;
 - x. Evonik Industries AG;
 - xi. Lubrizol Corporation;
 - xii. Momentive Performance Materials Inc;
 - xiii. MÜNZING Corporation; and
 - xiv. Nouryon.
31. The CID further observed that one of the Member States, namely Egypt is taking an increasing prominent role in the manufacture of the coating additives and the same is exported to other Member States, including Mauritius. This notwithstanding, coating additives are predominantly imported into the Common Market, including Egypt. The CID noted that the DS Specialty Chemicals has established itself in Egypt as recent as in 2023 and other international suppliers including BASF SE, ELEMENTIS global and Evonik Industries AG supply control additives in Egypt. Given the nature of the products, the CID was of the view that control additives can easily be transported and imported into the Common Market.
32. In view of the above, the CID considered that the geographic scope for the market for the supply of coating additives is global in scope.

Conclusion of Relevant Market Definition

33. For the purposes of assessing the proposed transaction, and without prejudice to its approach in future similar cases, the CID identified the relevant market as the **global market for the supply of coating control additives**.

Consideration of Substantial Lessening of Competition or “Effect” Test

Market Shares and Concentration

34. The CID noted the submission by the parties that the Target Firm’s operations in the Common Market were as presented below:
- i. the supply of foam control additives in Egypt, Kenya, Libya, Rwanda, Sudan, Tunisia and Uganda;
 - ii. the supply of surface control additives in Egypt, Kenya, Tunisia and Uganda;
 - iii. the supply of dispersion control additives in Egypt, Kenya, Libya, Sudan and Tunisia;



- iv. the supply of specialty Control Additives in Egypt, Kenya, Libya and Tunisia; and
 - v. the supply of Specialty driers and catalysts in Egypt, Libya, Sudan, Tunisia and Uganda.
35. The CID noted the submission of the parties that the below estimated market shares of the Target Firm and of its competitors per type of coating additive in each of the Member State where it operates namely, Egypt, Kenya, Libya, Rwanda, Sudan, Tunisia and Uganda.

Table 2: Non - Confidential Estimated Market Shares for foam control additives in Egypt, Kenya, Libya, Rwanda, Sudan, Tunisia and Uganda for the year 2024

Member State	Supplier	Estimated Market Share (%)
Egypt	BYK	25 - 30
	Target Firm	10 - 20
	BASF SE	3 - 8
	Elementis global	3 - 8
	Evonik Industries AG	3 - 8
	Click	3 - 8
Kenya	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Libya	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Rwanda	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20



	Patcham	10 - 20
	Target Firm	10 - 15
Sudan	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Tunisia	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Uganda	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15

Table 3: Non - Confidential Estimated Market Shares for surface control additives in Egypt, Kenya, and Tunisia for the year 2024

Member State	Supplier	Estimated Market Share (%)
Egypt	BYK	25 - 35
	Target Firm	10 - 20
	BASF SE	3 - 8
	Elementis global	3 - 8
	Evonik Industries AG	3 - 8
	Click	3 - 8
Kenya	BYK	30 - 40
	BASF SE	20 - 30



	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Tunisia	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15

Table 4: Non - Confidential Estimated Market Shares for dispersion control additives in Egypt, Kenya, Libya, Sudan and Tunisia for the year 2024

Member State	Supplier	Estimated Market Share (%)
Egypt	BYK	30
	Target Firm	15
	BASF SE	5
	Elementis global	5
	Evonik Industries AG	5
	Click	5
Kenya	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Libya	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Sudan	BYK	30 - 40



	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Tunisia	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15

Table 5: Non - Confidential Estimated Market Shares for special control additives in Egypt, Kenya, Libya and Tunisia for the year 2024

Member State	Supplier	Estimated Market Share (%)
Egypt	BYK	25 - 35
	Target Firm	10 - 15
	BASF SE	3 - 8
	Elementis global	3 - 8
	Evonik Industries AG	3 - 8
	Click	3 - 8
Kenya	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Libya	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20



	Target Firm	10 - 15
Tunisia	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15

Table 6: Non - Confidential Estimated Market Shares for driers and catalysts in Egypt, Libya, Sudan, Tunisia and Uganda for the year 2024

Member State	Supplier	Estimated Market Share (%)
Egypt	BYK	25 - 35
	Target Firm	10 - 20
	BASF SE	3 - 8
	Elementis global	3 - 8
	Evonik Industries AG	3 - 8
	Click	3 - 8
Libya	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Sudan	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15
Tunisia	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20



	Patcham	10 - 20
	Target Firm	10 - 15
Uganda	BYK	30 - 40
	BASF SE	20 - 30
	Evonik Industries AG	10 - 20
	Patcham	10 - 20
	Target Firm	10 - 15

36. The CID observed from the estimated market shares presented above that there are many suppliers of the different coating control additives in each of the Member States where the Target Firm operates. The CID further observed global players such as BASF SE and Evonik Industries AG as being among the key suppliers. The CID noted that the Target Firm has a market share of 10 - 15% and that the specialty additives sector is fragmented and largely import-driven, with several established global and regional players operating in the Member States where the Target Firm operates.
37. While acknowledging the market shares at national levels in each of the Member State where the Target Firm operates, the CID defined the relevant geographic market for the purposes of as this assessment as global.
38. Noting that the relevant market was global, the CID was of the view that the merged entity will remain a marginal player in this relevant market, and the proposed transaction would not alter existing global market dynamics.

Determination

39. The CID, therefore, 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.
40. The CID, therefore, approved the transaction subject to the parties abiding by the CID decision on the infringement of Article 24(1) of the Regulations.
41. This decision is adopted in accordance with Article 26 of the Regulations.



Dated this 15th day of April 2026

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Luyamba Kizito Mpamba

