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**Case File No. CCC/MER/10/43/2025**

**Decision<sup>1</sup> of the 124<sup>th</sup> Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Acquisition of Metal Crowns Limited (Kenya) by Guala Closures S.p.A. d**

**ECONOMIC SECTOR: Manufacturing**



**16 February 2026**

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<sup>1</sup> 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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,

Desirability of the overriding objective of the Treaty establishing the Common Market for Eastern and Southern Africa (the "**Treaty**"), namely the strengthening and achieving convergence of COMESA Member States' economies through the attainment of full market integration;

Cognisant of Article 55 of the 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.

Determines as follows:

### Introduction and Relevant Background

1. On 4 December 2025, the COMESA Competition Commission ("**Commission**") received a notification for approval of a merger regarding the proposed acquisition of all issued share capital of Metal Crowns Limited (Kenya) ("**MC Kenya**", or the "**Target**") by Guala Closures S.P.A. ("**Guala Closures**" or the "**Acquirer**"), by way of an acquisition of controller over Mantiax Investments Limited ("**Mantiax**") which wholly owns MC Kenya, collectively (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.



## The Parties

### ***Guala Closures (the “Acquirer”)***

4. Guala Closures, the Acquirer, is a joint stock company incorporated under the laws of Italy. The Acquirer is a producer of high value-added closures for the beverage industry focusing on wines, spirits, and glass bottled mineral water.
5. Within the Common Market, the Acquirer is active in Burundi, the Democratic Republic of Congo (the “DRC”), Egypt, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Tunisia, Uganda, and Zimbabwe.

### ***MC Kenya (the “Target”)***

6. MC Kenya, Target, is a private limited company registered in accordance with the laws of the Republic of Kenya. The Target Group is involved in the manufacturing and sale of plastic closures and metal crowns in COMESA. Specifically, the parties submitted that the Target Group is involved in the manufacturing and sale of plastic closures and metal crowns in the Common Market.
7. Within the Common Market, the Target Group operates in Burundi, the DRC, Ethiopia, Kenya, Malawi, Mauritius, Rwanda, Uganda, Zambia and Zimbabwe.

## 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:

*“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 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**

10. The notified transaction relates to Guala Closure's propose acquisition of 100% of the shareholding in MC Kenya.

### **Competition Analysis**

#### ***Consideration of the Relevant Markets***

11. 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.
12. The CID observed that the Acquiring Firm was a producer of high value-added closures for the beverage industry focusing on wines, spirits, and glass bottled mineral water. Further, the CID observed that the Target Group is involved in the manufacturing and sale of plastic closures and metal crowns. Specifically, the Target Group is involved in: (i) the manufacturing of plastic closures in Kenya; (ii) the manufacturing of metal crowns in Kenya; (iii) the sale of metal crowns in Burundi, Ethiopia, Kenya, Malawi, Rwanda, Uganda, Zambia and Zimbabwe; and (iv) the sale of plastic closures in DRC, Kenya, Mauritius, Rwanda, Uganda and Zambia.
13. The CID noted that the proposed transaction raises horizontal overlap within the Common Market in the market for beverage closures since both parties were active in this market. Thus, the CID assessed the relevant market with a focus on the beverage closures market within the Common Market.

#### ***Relevant Product Market***

14. The CID observed that Closures are bottle-caps used for sealing the contents of the bottle. Closures are the devices by means of which containers can be opened and closed. They are manufactured either from metal with a plastic or cork liner, or entirely from plastic. Therefore, closures for beverages can be segmented by the material type and functional requirements of the closure, which is likely to vary depending on the beverage type and the bottling material.
15. While both merging parties are active in manufacturing and sale of closures, there is a potential for narrow markets since plastic closures, metal crowns, and high-value-added wine/spirit closures are mostly not interchangeable from a demand-side perspective. For instance, a winery using high-end aluminium closures is unlikely to switch to metal crowns (used for beer/soda) in response to a 5%-10% price increase, as this will require changing the bottle type and the capping machinery.
16. Furthermore, the CID noted that for a beverage producer, switching from a metal crown to a plastic closure would require a total overhaul of their bottling line and a change in bottle design, making the cross-price elasticity of demand very low or less



substitutability. This means that the beverage producer must fundamentally redesign, replace, or reconfigure most of its machinery involved in producing their bottled products due to a significant change in the product's container. This suggests that plastic closures, metal crowns, and high-end aluminium closures constitute distinct product markets.

17. Similarly, the European Commission ("EC")<sup>2</sup> considered three distinct relevant product markets for beverage closures, i.e., metal crowns, plastic threaded closures, and aluminium closures, based on the lack of substitutability between them. A primary driver for this separation was "low cross-price elasticity," meaning that even if the price of one closure type increases, beverage fillers cannot easily switch to another. This is due to the high "sunk costs" associated with bottle inventories and the significant investment required to modify specialized filling lines and bottle designs to accommodate different closure types.<sup>3</sup>
18. On the supply side, the CID observed that manufacturing equipment is highly specialized; machinery used for plastic moulding cannot be repurposed for metal stamping or aluminium sheet processing without prohibitive investment. Furthermore, even where products might seem interchangeable, such as plastic and aluminium threaded caps, strong customer preferences for safety (avoiding sharp edges) and traditional marketing requirements (spirits packaging) prevent them from being part of the same market.
19. The CID therefore considered, for the purpose of assessing the proposed transaction, the plastic closures and metal crowns market as the relevant products, being the products where the Target Group is active.
20. Therefore, for the purposes of conducting a competitive assessment in the current transaction, the CID determines the relevant product markets as the:
  - a. **manufacture and sale of plastic closures; and**
  - b. **manufacture and sale of metal crowns.**

#### *Relevant Geographic Market*

21. Paragraph 8 of the Market Definition 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"**.
22. The CID considered that geographic scope for the manufacturing and sale of plastic closures and the manufacturing and sale of metal crowns is likely to be at least

<sup>2</sup> See <https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:31996D0222>, (Case No IV/M.603 - Crown Cork & Seal/CarnaudMetalbox), accessed on 4 February 2026.

<sup>3</sup> Ibid.



COMESA-wide as closures are easily transportable over long distances at a relatively low cost compared to the product value.

23. Furthermore, the CID observed that technical standards for bottle necks (and thus the closures that fit them) are largely standardized, allowing a producer in one country to easily supply a customer in another. The Commission observed for instance that the Target Group from its manufacturing facilities in Kenya exports metal crowns into Burundi, Ethiopia, Malawi, Rwanda, Uganda, Zambia, and Zimbabwe; exports its plastic closures into DRC, Mauritius, Rwanda, Uganda, and Zambia.
24. The CID further noted the feedback from the CFTC in the preceding paragraphs that Tanzania, India, Kenya, and South Africa are the key countries from which Malawi imports the "Stoppers, caps and lids". However, the scope of the market is at least likely to be regional as COMESA's internal trade protocols are reducing cross-border tariffs.
25. In view of the above, the CID considered that the geographic scope for **the manufacturing and sale of plastic closures and the manufacturing and sale of metal crowns market is at least COMESA-wide.**

#### *Conclusion of Relevant Market Definition*

26. For the purposes of assessing the proposed transaction, and without prejudice to its approach in future similar cases, the CID identified the following relevant markets:
  - a. **the manufacture and sale of plastic closures in at least COMESA-wide;**  
**and**
  - b. **the manufacture and sale of metal crowns in at least COMESA-wide.**

### **Consideration of Substantial Lessening of Competition or "Effect" Test**

#### **Market Shares and Concentration**

27. The CID observed that the Acquirer was not active in the plastic closures market while both the Target and the Acquirer were active in the metal crowns market in the Common Market.
28. The CID noted the submission by the parties of their estimated volume and market shares for sale of metal crowns as presented in Table 1 below.



**Table 1: Estimated metal crowns units and market shares of the merging parties in the sale of metal crowns in COMESA in 2024<sup>4</sup>**

Country	Volume (in million units)			Estimated market share (in%)		
	Market size	Guala	Target	Guala	MC Kenya	post-merger
Burundi	█	█	█	█	█	█
Comoros	█	█	█	█	█	█
Democratic Republic of the Congo	█	█	█	█	█	█
Djibouti	█	█	█	█	█	█
Egypt	█	█	█	█	█	█
Eritrea	█	█	█	█	█	█
Eswatini	█	█	█	█	█	█
Ethiopia	█	█	█	█	█	█
Kenya	█	█	█	█	█	█
Libya	█	█	█	█	█	█
Madagascar	█	█	█	█	█	█
Malawi	█	█	█	█	█	█
Mauritius	█	█	█	█	█	█
Rwanda	█	█	█	█	█	█
Seychelles	█	█	█	█	█	█
Somalia	█	█	█	█	█	█
Sudan	█	█	█	█	█	█
Tunisia	█	█	█	█	█	█
Uganda	█	█	█	█	█	█
Zambia	█	█	█	█	█	█
Zimbabwe	█	█	█	█	█	█
<b>Total COMESA Wide</b>	█	█	█	█	█	█

29. The CID observed that the Acquirer and the Target supplied █ million pieces of metal crowns, respectively, to the Common Market in 2024, out of the total market size of █ pieces of metal crowns within the COMESA market. The Acquirer had an estimated market share of █% while the Target Firm had estimated market share of █% in the Common Market. The CID observed that the proposed transaction would result in a █% market share accretion, and the merged entity will have approximately █% market share in the sale of metal crowns market within the COMESA.

30. The CID also observed that the Target was the market leader in █. However, the CID noted that the existing market structure in these Member States will remain unchanged as the Acquirer was not currently

<sup>4</sup> Information claimed as confidential by merging parties



supplying metal crowns to these Member States. The CID therefore considered that the merger would not substantially lessen competition.

31. The CID noted that the only overlap between the merging parties related to their sale of metal crowns market is in Zambia and Zimbabwe. The CID observed that both the Acquirer [REDACTED] and the Target (from its manufacturing facility in Kenya) export their metal crowns to Zambia and Zimbabwe. Further, both the Acquirer and the Target held [REDACTED]% and [REDACTED]% market shares, respectively, in Zambia; and [REDACTED]% and [REDACTED]% market shares, respectively, in Zimbabwe. The CID considered that the merged entity would hold approximately [REDACTED]% and [REDACTED]% respective market shares in Zambia and Zimbabwe, post-merger. Majority of the market shares [REDACTED]% and [REDACTED]% in Zambia and Zimbabwe respectively, would be commanded by other competitors.
32. The CID considered that the merging parties' exports of metal crown products to Zambia and Zimbabwe suggests that the market was characterised by import competition. Further, the CID noted that metal crowns segment (primarily aluminium and tinsplate crown corks) was closely tied to beer, carbonated soft drinks, and premium beverages which would suggest that beer and glass-bottled soda industry customers have the ability to source the metal crowns products from outside their territory for their beverage production and supply process. For instance, MC Kenya serves major beverage brands such as Coca-Cola, Pepsi, Heineken, and Diageo across East Africa, with production plants In Kenya.
33. With respect to the market for the plastic closures market, the CID observed that the Target estimated volume and market shares, along with the total units of sales, as presented in Table 2 below.

**Table 2: Estimated plastic closures units and market shares of the Target in the sale of plastic closures in COMESA in 2024<sup>5</sup>**

Member State	Volume (in million units)		Estimated market share (%)
	Market size	MC Kenya	MC Kenya
Burundi	[REDACTED]	[REDACTED]	[REDACTED]
Comoros	[REDACTED]	[REDACTED]	[REDACTED]
DRC	[REDACTED]	[REDACTED]	[REDACTED]
Djibouti	[REDACTED]	[REDACTED]	[REDACTED]
Egypt	[REDACTED]	[REDACTED]	[REDACTED]
Eritrea	[REDACTED]	[REDACTED]	[REDACTED]

<sup>5</sup> Information claimed as confidential by merging parties



Eswatini	█	█	█
Ethiopia	█	█	█
Kenya	█	█	█
Libya	█	█	█
Madagascar	█	█	█
Malawi	█	█	█
Mauritius	█	█	█
Rwanda	█	█	█
Seychelles	█	█	█
Somalia	█	█	█
Sudan	█	█	█
Tunisia	█	█	█
Uganda	█	█	█
Zambia	█	█	█
Zimbabwe	█	█	█
<b>Total COMESA Wide</b>	█	█	

34. The CID noted that the market size for plastic closures across COMESA was approximately 14,569 million pieces. The CID observed that out of this, the Target supplied █ million pieces (█%) of plastic closures. The CID considered that the market was characterized by the presence of other regional and global players commanding █% of the market.
35. The CID observed that the Target was the market leader in Kenya, where it commands █% of the plastic closures market. However, the CID noted that the existing market structure in Kenya would remain unchanged as the Acquiring Firm was not currently active in the plastic closures market. The CID therefore considered that the merger would not result in any substantive reduction of competition in Kenya.
36. The CID noted that the relevant markets were characterised by other regional players such as Nampak Limited and Nampak Kenya, which maintains a strong hold on the metal packaging and PVC-free crown market. Players such as Mega Pak Zimbabwe, I-pack Zimbabwe, Polyoak Packaging in Zambia, CGF Crown Cork Manufacturing PLC (Ethiopia), Insoma (Tanzania), Jevinsen (Uganda), Silafrica (Kenya), and Summit Engineered Plastic Plc (Ethiopia) have also significantly



growing over the last years and that were exporting their closures products into the Common Market.

37. The CID observed that in Ethiopia, CGF Crown Cork Manufacturing PLC is a leading local producer of metal packaging products.<sup>6</sup> Further, other players such as Africa Crowns & Packaging<sup>7</sup> (with its presence including in the DRC, and Uganda) specializes in manufacturing metal crowns and plastic products for the food and beverage industry.
38. The CID considered that the market was characterized by the presence of other regional and global players and the proposed transaction would not meaningfully alter the existing market dynamics. Given the limited overlap, the CID considered that the proposed transaction was unlikely to raise competition concerns.
39. Accordingly, the CID observed that the merged entity will continue to face competition from various existing major global players and potential new entrants. Thus, the proposed transaction is unlikely to negatively impact competition in the relevant market.

### **Determination**

40. The CID, therefore, determined that the merger was 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 was unlikely to negatively affect trade between Member States.
41. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 16<sup>th</sup> February 2026

**Commissioner Mahmoud Momtaz (Chairperson)**

**Commissioner Lloyds Vincent Nkhoma**

**Commissioner Luyamba Kizito Mpamba**



<sup>6</sup> See <https://cafbusinessgroup.com/crown-cork-manufacturing-plc>, accessed on 6 February 2026.

<sup>7</sup> See <https://africacrownsandpackaging.com/>, accessed on 6 February 2026.