



Case File No. CCC/MER/12/52/2025

**Decision¹ of the 1st Panel Meeting of the Panel Responsible
for Determinations Regarding the Merger between Vodafone
Kenya Limited and Safaricom PLC**

ECONOMIC SECTOR: Telecommunications



16 February 2026

¹ In the published version of this decision, some information has been omitted pursuant to Regulation 79 of the COMESA Competition and Consumer Protection Regulations 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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 Panel Responsible for Determinations,

Desirous of the overriding objective of the Treaty establishing the Common Market for Eastern and Southern Africa ("**Treaty**") of 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 and Consumer Protection Regulations of 2025 (the "**CCCPR**"), and in particular Chapter Four thereof;

Mindful of the COMESA Competition and Consumer Protection Rules of 2025, (the "**Rules**");

Recalling the overriding need to establish a Common Market;

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

Submits this Staff Paper to the Panel Responsible for Determinations (the "**Panel**") pursuant to Regulation 20 of the CCCPR.

Determines as follows:

Introduction and Relevant Background

1. On 16 January 2026, COMESA Competition and Consumer Commission (the "**CCCC**") received a notification regarding the merger between Vodafone Kenya Limited ("**Vodafone Kenya**" or the "**Acquiring Firm**") and Safaricom PLC ("**Safaricom**" or the "**Target**"), pursuant to Regulation 42(1) of the COMESA Competition and Consumer Protection Regulations.
2. Pursuant to Regulation 47 of the CCCPR, the CCCC is required to determine whether or not the merger is likely to substantially lessen competition; or is likely to significantly affect public interest in the Common Market.
3. Pursuant to Regulation 20 of the CCCPR, there is established a Panel Responsible for Determinations, referred to as the Panel. The decision of the Panel is set out below.



The Parties

Vodafone Kenya (the "Acquiring Firm")

4. Vodafone Kenya is a company incorporated in the Republic of Kenya and a subsidiary of Vodacom Group. Vodacom Group, incorporated in South Africa, is a publicly listed company with operations across several COMESA Member States. Vodacom Group's core business activities include the provision of mobile telecommunications, broadband and data services, and mobile financial services (notably through the M-Pesa platform).
5. The parties submitted that Vodacom Group and Safaricom each has a ■%² shareholding in M-Pesa Global Services Limited ("M-Pesa JVCo), a joint venture established to acquire and manage the M-Pesa brand, technology platform and related support assets previously held by Vodafone. M-Pesa JVCo provides platform, licensing and support services to the Safaricom and Vodacom groups, which operate the customer-facing mobile money businesses in various countries.
6. The parties submitted that M-Pesa JVCo represents an existing vertical link between the parties' mobile financial service operations, and Vodacom Group's acquisition of control over Safaricom would internalise this relationship within a single corporate group, resulting in no change to the existing competitive dynamics or access conditions to the M-Pesa platform in the relevant market.
7. In the Common Market, Vodacom Group operates as follows:

Table 1: Operations of Vodacom Group in COMESA

Member State	Activities
The Democratic Republic of Congo (the "DRC")	Telecommunications and mobile financial services
Egypt	
Kenya	

8. The parties further submitted that the parties' presence in Ethiopia is through Safaricom which provides telecommunications and mobile financial services (through M-Pesa JVCo. The parties also submitted that in Mauritius, Vodacom Group is present through investment holding companies for telecommunication ventures in Africa which are not operational.³

² The Creation of the M-Pesa JVCo was assessed by the CCCC and cleared as a non-notifiable merger on the basis that it was solely created to serve the parent companies, hence not full-function. The parties claimed confidentiality on the shareholding percentage of ■%

³ The parties submitted that the Mauritian entities function solely as holding companies for telecommunication ventures elsewhere in the Africa and do not themselves conduct any operational activities or generate revenue from within Mauritius, as such there are no operational assets or turnover attributable to Vodacom Group in Mauritius.



Safaricom (the “Target”)

9. Safaricom is a public company listed on the Nairobi Securities Exchange and is a leading telecommunications and mobile money operator. Safaricom provides integrated telecommunication services, mobile and fixed voice, data, internet, and M-Pesa mobile money to more than 58 million customers in Kenya and Ethiopia.
10. In the Common Market, Safaricom operates as follows:

Table 2: Operations of Safaricom in COMESA

Member State	Description of activities
Kenya	Telecommunications and mobile financial services (through M-Pesa JVCo)
Ethiopia	

11. The parties submitted that Safaricom owns ██████ towers in Kenya, out of which ██████ also host other mobile network operators (“MNOs”) on a colocation basis. To this end, it was submitted that Safaricom offers wholesale (passive) tower services to third parties in Kenya on a limited number of its towers.

Jurisdiction of the Commission

12. Regulation 42(1) of the CCCPR requires a ‘notifiable merger’ to be notified to the CCCC prior to its implementation. Only mergers that satisfy the prescribed thresholds pursuant to Regulation 41(5) and 41(8) of the CCCPR are regarded as notifiable mergers. The merger notification thresholds are prescribed under Rule 23(1) of the Rules which provides that:

Pursuant to Chapter Four of the CCCPR, a merger 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 COM\$60 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 COM\$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.
13. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived a turnover of more than the threshold of USD60 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 Panel was thus satisfied that the transaction constitutes a notifiable transaction within the meaning of Regulation 41(5) and 41(8) of the CCCPR.



Details of the Merger

14. The notified merger concerns the proposed acquisition by Vodafone Kenya, a wholly owned subsidiary of Vodacom Group Limited ("**Vodacom Group**"), of a 15% shareholding in Safaricom from the Government of Kenya. The proposed merger also comprises an internal restructuring of Vodafone International Holdings B.V.'s ("**Vodafone's**") shareholding in Vodafone Kenya encompassing a transfer of Vodafone's 12.5% shareholding to Vodacom Group which will further increase Vodacom Group's interest in Safaricom. Following completion of the proposed merger and the internal restructuring, Vodacom Group's total shareholding in Safaricom will increase from 40% to approximately 55%, thereby conferring control over Safaricom.

Competition Analysis

Consideration of the Relevant Markets

15. A relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by a consumer or customer, by reason of the products' characteristics, their prices and their intended use.
16. The Panel observed that the merging parties are both active in the provision of telecommunications services, namely mobile telecommunication services, fixed voice telecommunication services and fixed broad band services. Further, both parties provide mobile financial services through their jointly owned M-Pesa JVCo. The Panel also observed that Safaricom provides passive infrastructure towers services and intermediary services to insurance underwrites. Accordingly, the assessment of the relevant product market focuses on the horizontal overlapping relationship between the parties in the provision of telecommunication services and mobile financial services. The assessment also considered the vertical overlap arising from the M-Pesa JVCo which provides mobile financial service solutions to the merging parties. Thus, the below relevant product markets as considered. Further, the assessment considered the vertical relationship that exists between provision of passive infrastructure services and mobile telecommunication services including mobile money services.

Provision of telecommunication services

17. The Panel observed that telecommunication services are communication services which include voice telephony services (via fixed or mobile); internet services; and value-added services that MNOs provide to their customers (i.e., end users).⁴ To supply these services, MNOs use licensed spectrum and mobile network infrastructure. These communication services are typically offered to customers on a bundled basis such that consumers that subscribe to a telecommunications

⁴ <https://macra.mw/licensing-telecommunications/>, accessed on 13 February 2024



provider typically purchase a package of services which includes voice, SMS, and data rather than individual stand-alone services.

18. Considering that the merging parties are both mobile telecommunication network operators, the Panel's assessment of the relevant product market focused on the provision of mobile telecommunication services and related infrastructure.
19. The Panel observed that mobile telecommunication services can be segmented into voice communication and data/internet services. Data services comprise text messaging, access to email and general internet services.⁵ From the demand side, voice communication, text messaging and data can be used interchangeably.
20. The Panel also observed that mobile telecommunication services may be delineated based on the type of technology use by an MNO (that is 2G, 3G, 4G or 5G), customer segments (private or business), and the nature of service provided (that is voice, text or data). It may be plausible to assess the likely competitive effect of the proposed merger at these narrow markets. However, the Panel notes that the nature of the transaction as presented in the preceding sections of this report entails Vodacom Group increasing its shareholding in Safaricom. Therefore, the market structure was not likely to be altered as a result of the merger to warrant the assessment of competitive effects of the transaction at narrower markets.
21. **Therefore, for purposes of assessing the likely competition effect that may arise from the merger, the Panel has identified the provision of mobile telecommunication services (including data) as the relevant product market.**

Provision of broadband services

22. The Panel noted that broadband services refer to fast, reliable connection to the internet. Broadband service is high-speed internet access that is always on. It enables high-quality and quick access to information and data transmission in both directions, that is from the sender and the receiver. The Panel observed that Broadband internet services can be provided using copper phone wires, cable internet which uses same cable as televisions, fiber-optic cables, or through wireless options such as satellite and 4G/5G LTE.
23. In its decision in the **Wananchi Group/Axian Telecom**⁶ merger, the Committee Responsible for Initial Determination (CID) observed that differences existed between broadband services provided through fiber and satellite. It was observed by the CID that fiber internet relied on fiber-optic cables, which transmit data as pulses of light through numerous thin fiber strands. The light-based transmission makes fiber-optic internet fast, enhances its high-quality and dependable connection. Fiber optic internet is widely used for internet, telephone, and television services, which allows high-speed data transfer and clear signals. To

⁵ Case No COMP/M.5650 – T-Mobile/Orange

⁶ Decision of the 113th Committee Responsible for Initial Determinations Regarding the Proposed Acquisition of Wananchi Group (Holdings) Limited by Axian Telecom Fibre Limited



access internet via fiber, a user needs access to have access to the required equipment, including an optical network terminal and a router.

24. To the contrary, the Panel observed that internet provision via satellite requires no wires and therefore requires less infrastructure investment. The transmission of data happens using satellites orbiting the Earth. A user requires a satellite dish and a satellite internet modem to access the internet provided. Internet through satellite is often used to service remote regions where cables are not available.
25. From the foregoing, the Panel concluded that the equipment required by the end user to access internet will differ depending on the medium through the internet is provided, that is fiber or satellite. Suppliers of broadband internet services can opt to use fiber cables or satellite for the provision of their services. The infrastructure through which internet is provided may also influence the pricing of internet. Therefore, the market for broadband internet service can be segmented depending on whether it is provided via fibre cables or satellite. Indeed, it is recalled from the merger filing that both Safaricom and Vodacom Group provide fixed broadband services (as opposed to satellite) in Kenya and Egypt, respectively.
26. **Given that the competitive assessment of the transaction is not likely to be altered under any alternative or narrow market definition, for the purposes of this assessment, the Panel was of the view that a broad market definition for the supply of broadband internet services can be adopted.**

Provision of mobile financial services

27. The Panel observed that mobile financial services entail the provision of financial payment solutions via mobile phones by an operator to end-users, that is business to customer services. Mobile financial services comprise mobile money and digital payment services. Such solutions include a range of services from the transfer of money from banks to customers, payment of utility bills to utility providers using a mobile phone and purchasing of insurance services via mobile phones. Under a mobile money service, a customer can own and operate an electronic wallet on a mobile phone where the customer can load money and use the money to make various payments including transfer of funds to other customers. In **Orange/Vodacom**⁷, it was similarly considered that mobile money services are a distinct market where a user accesses a payment platform on their mobile phone linked to bank accounts through which various payments can be made including the transfer of funds.
28. The Panel also observed that financial services market has other means to facilitate money transfers such as Western Union, MoneyGram, PayPal, Internet Banking, including the deposit of cash at a bank. The mobile financial services can, however, be considered uniquely different from these other services on account of

⁷ Decision of 121st Committee Responsible for Initial Determinations regarding the proposed formation of a full-function greenfield joint venture by Orange RDC S.A. and Vodacom International Limited, dated 10 November 2025



the convenience they give to users to transact on a mobile phone as opposed to physically visiting a bank to transact. Mobile financial services can be viewed as a less costly option, thus can belong to a market of its own.

29. **In view of the distinct nature of the mobile financial services solutions by the parties, particularly the M-Pesa branded services, the Panel identified the provisions of mobile financial services as a relevant product market.**

Provision of passive infrastructure services

30. The Panel observed that telecommunication infrastructure can be segmented into passive and active infrastructure.⁸ Passive telecommunications infrastructure comprises the non-electronic, physical components which hosts mobile network equipment at a cell site such as towers and masts.⁹ Passive infrastructure provides the essential physical platform on which MNOs install their active network equipment in order to deliver mobile telecommunications services to end users. To the contrary, active telecommunications infrastructure consists of electronic network elements including antennas, base transceiver stations and radio access network equipment. The infrastructure is used to transmit voice and data services under the direct responsibility of a specific MNO. By contrast, passive infrastructure does not transmit signals itself but enables the deployment and operation of active equipment. Thus, passive and active telecommunication infrastructure can be considered as distinct given the different intended purposes. **Given Safaricom leases passive infrastructure (towers) to third parties and consistent with case precedent¹⁰, the Panel identified passive telecommunications infrastructure as a relevant market for purposes of assessing this transaction.**
31. Based on the foregoing assessment and without prejudice to the Panel's approach in similar future cases, the relevant product markets are determined as the:
- a. **provision of mobile telecommunication services;**
 - b. **provision of broadband internet services;**
 - c. **provision of mobile financial services; and**
 - d. **provision of passive telecommunication infrastructure.**

⁸ See Decision of the Sixty-Seventh Committee Responsible for Initial Determination Regarding the Acquisition of 100% Shareholding in Eaton Towers Holdings Limited by ATC Heston B.V.

⁹ See Decision of the Seventy-Sixth Committee Responsible for Initial Determination Regarding the Proposed Merger Involving IVY 2 Investments VCC and PIL Holdings Pte. Ltd.

¹⁰ See Decision of the hundred-twenty-first Committee Responsible for Initial Determination Regarding the Proposed Formation of a Full – Function Greenfield Joint Venture by Orange RDC S.A. and Vodacom International Limited, Decision of the Seventy-Sixth Committee Responsible for Initial Determination Regarding the Proposed Merger Involving IVY 2 Investments VCC and PIL Holdings Pte. Ltd., and Decision of the Sixty-Seventh Committee Responsible for Initial Determination Regarding the Acquisition of 100% Shareholding in Eaton Towers Holdings Limited by ATC Heston B.V.



Relevant Geographic Market

32. Relevant geographic market is defined 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”.
33. The Panel observed that mobile telecommunication services, passive telecommunication infrastructure, broadband services and mobile financial services are provided at national level under a set of competitive conditions that include licensing frameworks, spectrum allocation, infrastructure requirements and pricing strategies which may vary from country to country. Based on previous decisional practice in the telecommunications sector, it was considered that national markets in telecommunications can be identified in view of the regulatory requirements peculiar to each country where providers operate which influence pricing of the services.¹¹
34. The Panel also observed that, in line with the same case precedent, access to and usage of spectrum which is regulated by national telecommunications regulators in respective countries as a determinant factor to limiting the geographic scope of telecommunication markets. For instance, the Panel observed that the telecommunications regulators in DRC, Egypt, Ethiopia and Kenya, have difference sets of regulation applicable to their respective jurisdictions.
35. The Panel further observed that spectrum can only be used within the borders of the country in which it is regulated. Although subscribers on a mobile network may roam when they are abroad, this is achieved through separate bilateral agreements between MNOs. Thus, the geographic scope of telecommunication services is likely to be national given the regulatory framework within which providers operate.
36. From a demand perspective, users are unlikely to timely switch to a service provider outside the national border of a country in event of a SSNIP as they would be limited by registration requirements for subscribing and it may also prove costly to use a mobile service provider other than those registered in one’s country of residence. Similarly, these restrictions will apply to provision of mobile financial services whose geographic scope is also likely to be national.
37. With regards to broadband internet services, previous decisional practice has identified a national market in view of the highly regulated nature of the market

¹¹ Decision of the 107th Meeting of the Committee Responsible for Initial Determinations regarding the creation of a Joint Venture, Mawezi RDC S.A., by Airtel RDC S.A., and Orange RDC S.A



and the pricing policy of the service providers which are reflective of national competitive conditions.¹²

38. With regards to mobile financial services, it is acknowledged that such payment platforms operate beyond the borders of a single country, for example, M-Pesa which operates across the East African region. However, Panel observed that the licensing and regulatory frameworks within which the platform operations remain national, thus limiting the market to national.
39. The geographic scope for leasing of tower infrastructure space to MNOs or internet service providers tends to national. Tower companies compete for lease agreements with MNOs or other internet service providers within the territory of a country. It is observed that Safaricom leases towers to third parties in Kenya and such leases are subject to regulation specific to Kenya which is likely to be different from existing regulation in other countries. Kenya as a country is likely to have homogenous conditions of competition, making Kenya a distinct geographic market. Therefore, for purpose of assessing this market the geographic scope for the provision of passive telecommunication infrastructure is considered as national.
40. The Panel noted that the parties provide mobile telecommunication services and mobile financial services in DRC, Egypt, Ethiopia, and Kenya. The parties provide broadband services in Egypt and Kenya while Safaricom provides passive telecommunication infrastructure in Kenya. Therefore, the relevant markets ought to be national and pertain to these respective Member States where the parties have operations. However, considering the nature of the proposed transaction and noting that the increase in shareholding is in Safaricom which only has operations in Ethiopia and Kenya, any effect of the proposed transaction is likely to be limited to Ethiopia and Kenya.
41. Therefore, the relevant geographic markets for the identified product markets were considered as Ethiopia and Kenya.

Conclusion of Relevant Market Definition

42. For the purposes of assessing the proposed transaction, and without prejudice to its approach in future similar cases, the Panel identified the following relevant markets:
 - a. **the provision of mobile telecommunication services in Ethiopia and Kenya;**
 - b. **the provision of broadband internet services in Kenya;**
 - c. **the provision of mobile financial services in Ethiopia and Kenya; and**

¹² Decision of 121st Committee Responsible for Initial Determinations regarding the proposed formation of a full-function greenfield joint venture by Orange RDC S.A. and Vodacom International Limited, dated 10 November 2025



d. the provision of passive telecommunication infrastructure in Kenya.

Consideration of Substantial Lessening of Competition or “Effect” Test

Market Shares and Concentration

- 43. The Panel observed that the proposed merger will not alter the market structure in the identified relevant markets given that the nature of the transaction concerns Vodacom Group increasing its existing shareholding in Safaricom from the current 40% to approximately 55% given Vodacom Group’s control over Safaricom whose operations are in Kenya and Ethiopia. The Panel considers that a comprehensive assessment of market concentration is not warranted since the market structure will not be altered, post-merger, such that no competitive effect is unlikely to arise from the transaction.
- 44. Notwithstanding the market structure not likely to change post-merger, the Panel observed the following market shares for the parties and their competitors in Ethiopia and Kenya.
- 45. The Panel observed that in Ethiopia the market shares for the only two players were as presented in Table 3 below.

Table 3: Market shares for Mobile telecommunications, fixed broadband, and mobile financial services in Ethiopia

Entity	% Mobile telecommunications	% Fixed broadband & data	Mobile financial services
Ethio Telecom	[80-90]%	[90-100]%	[90-100]%
Safaricom ET	[10-20]%	-	[0-10]%

- 46. The Panel observed that with respect to Kenya, Vodacom Group is not operational, however, the market shares for Safaricom and other players were as presented in Table 4 below.

Table 4: Market shares for mobile telecommunications (by SIM subscription), mobile financial services and fixed broadband subscription in Kenya

Entity	% Mobile (SIM) subscription	% Fixed broadband subscription	% Mobile financial services
Safaricom	[60-70]%	[30-40]%	[90-100]%
Airtel	[30-40]%	n/a	[0-10]%
Telkom Kenya	[0-10]%	n/a	[0-10]%



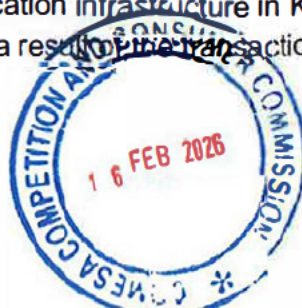
Jamii	[0-10]%	[20-30]%	n/a
Finserve	[0-10]%	n/a	n/a
Wananchi	n/a	[10-20]%	n/a
Poa Internet	n/a	[10-20]%	n/a
Others	n/a	[20-30]%	n/a

47. The Panel considered that further to the transaction not resulting in market share accretion, the relevant markets were generally concentrated across the Member States where the parties have operations. For instance, the Panel observed that in Kenya where the transaction is likely to have the most impact, the top player in the mobile telecommunication market, Safaricom, command approximately [60-70]% of the market. Further, the mobile financial services market in Kenya is a [redacted] with Safaricom holding approximately [90-100]% of the market. The same applies to fixed broadband services which is moderately concentrated and where Safaricom is also dominant with a [30-40]% market share.
48. The Panel considered that such market structure can be grounds for unilateral and coordinated effects which may be to the detriment of the market. However, the Panel considered that such conducts would not be merger specific given the market structure will not be altered as a result of the merger. Further, any anti-competitive behaviour of the merged entity could be assessment under provision dealing with restrictive business practices under the CCCPR.
49. The Panel also considered the following markets shares in the passive telecommunication infrastructure market in Kenya.

Table 5: Market shares for passive telecommunication infrastructure in Kenya

Competitor	Estimated market share (%)
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]
[redacted]	[redacted]

50. The Panel considered that the transaction was unlikely to alter the market structure for passive telecommunication infrastructure in Kenya, thus competition concerns were unlikely to arise as a result of the transaction.



Determination

51. The Panel, therefore, determined that the merger was not likely to substantially prevent competition in the Common Market or a substantial part of it, nor will it be contrary to public interest.
52. This decision is adopted in accordance with Regulation 47 of the CCCPR.

Dated this 16th February 2026

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma Commissioner Luyamba Kizito Mpamba

