



Advancing Regional Integration
through Competitive Markets
and Empowered Consumers

Case File No. CCC/MER/12/51/2025

Decision¹ of the 126th Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Acquisition by Coca-Cola HBC AG and Coca-Cola HBC Holdings B.V. of Coca-Cola Beverages Africa Proprietary Limited

ECONOMIC SECTOR: Alcoholic and non-alcoholic beverages

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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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

The Committee Responsible for Initial Determinations (“**CID**”) established pursuant to Article 13(4) of the COMESA Competition Regulations of 2004 (the “**Regulations**”):

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 11 December 2025, the COMESA Competition Commission (“**Commission**”) received a notification for approval of a merger involving the proposed acquisition by Coca-Cola HBC AG (“**CCHBC AG**”) and Coca-Cola HBC Holdings B.V. (“**CCHBC BV**”, a wholly-owned subsidiary of CCHBC AG) (collectively, “**CCHBC**” or the “**Primary Acquiring Firms**”) of 75% of the issued share capital of Coca-Cola Beverages Africa Proprietary Limited (“**CCBA**” or the “**Target**”), 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.



The Parties

CCHBC AG (the “Primary Acquiring Firm”)

3. CCHBC AG is a public company listed on the London Stock Exchange (with the symbol CCH) and Athens Stock Exchange (with the symbol EEE).
4. CCHBC is an authorised bottler of TCCC that prepares, packages, distributes and sells beverages bearing TCCC brands (“**TCCC branded beverages**”) and other beverages in 29 countries in Europe, Eurasia and Africa. CCHBC also partners with other businesses such as Monster Energy, Brown Forman and Edrington and is active in the bottling and distribution of a wide variety of drinks, including sparkling soft drinks; water; energy and sports drinks; juice, snacks and premium spirits; coffee, and ready-to-drink tea.
5. The parties submitted that in the Common Market, CCHBC is only active in Egypt through the entities presented in Table 1 below.

Table 1: Activities of CCHBC in the Common Market

| Member State | Entities | Brands distributed in Egypt |
|---------------------|--|--|
| Egypt | Coca-Cola HBC Egypt, Coca-Cola HBC Services LLC4, CCBE Trading for Import and Export, L.L.C. | Coca-Cola (Regular, Zero), Sprite (Regular, Zero), Energy (Monster Energy, Monster Energy Ultra White, Juiced Monster Mango Loco, Powerade, Fury, Fury Mango), Fanta (Orange, Red Apple, Strawberry Jelly), Schweppes (Apple, Tangerine, Peach, Pomegranate, Pineapple, Lemon, Club Soda, Tonic Water), Dasani Water |

CCBA (the “Target”)

6. CCBA is an investment holding company with interests primarily in the carbonated and non-carbonated soft drink industry. CCBA holds controlling interests in subsidiaries authorised to prepare, package, distribute and sell TCCC-branded beverages (and other authorised branded beverages such as Monster) in specific regions across the African continent.
7. CCBA is headquartered in Johannesburg (South Africa) and services millions of consumers with a host of global and local branded beverages.
8. The parties submitted that CCBA was initially formed in July 2016 after the combination of the Southern and East Africa bottling operations of the non-alcoholic ready to drink (NARTD) beverages businesses of TCCC, SABMiller plc and Gutsche Family



Investments Proprietary Limited (“GFI”) through a transaction that was unconditionally approved by the Commission.²

9. The parties submitted that in the Common Market, CCBA is active in Comoros, Eswatini, Ethiopia, Kenya, Malawi, Uganda and Zambia. Through its subsidiaries, CCBA distributes branded beverages including Coca-Cola, Fanta, Sprite, Schweppes, Sparletta, Stoney, Grapetiser, Bonaqua, Cappy, Powerade, Appletiser, Dasani Water, Keringet, Krest, Predator, Twist, Fruity Boost, Sobo, Rwenzori, Minute Maid, Novida, Aquasavana, Mazoe, Monster, PowerPlay and Ambo.
10. The parties further submitted that CCBA has a physical presence in Mauritius, through Ambo International Holdings Limited and Strategic Alliance JV whose principal activity is investment holding, and neither competes with the CCHBC Group.

Jurisdiction of the Commission

11. 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”.*

12. 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

13. The notified transaction concerns the proposed acquisition by CCHBC AG and CCHBC BV (collectively “**CCHBC**”) of 75% of the issued share capital of CCBA. Pursuant to

² See Case CCC/MER/03/03/2015, Merger involving Coca-Cola Beverages Africa Limited and the Coca-Cola SABCO Proprietary Limited



the successful implementation of the Proposed Acquisition, CCHBC will acquire sole control over CCBA.

Competition Analysis

Consideration of the Relevant Markets

14. 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

15. 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”**.³
16. The CID observed that both parties are part of Coca-Cola system, thus they produce, bottle, and distribute TCCC branded beverages. In addition to the TCCC branded beverages, both parties produce and supply a range of other beverage brands than TCCC brands. Thus, both CCHBC and CCBA are engaged in the supply of ready to drink non-alcoholic products, which include TCCC branded NARTD beverages. For purposes of conducting a competitive assessment, the CID focused on the production and supply of NARTD beverages given both parties were active in this market.
17. Beverages can be categorised into two groups namely: alcoholic and non-alcoholic beverages. In **SABMiller/Sabco and CCSEA/Castel Malawi**⁴, the CID identified the market for non-alcoholic beverages as distinct from the market for alcoholic beverages on account of the differences in the utility derived by a consumer from a non-alcoholic beverage as compared to an alcoholic beverage. In **SABMiller/Sabco and CCSEA/Castel Malawi**, the CID observed that there is a high improbability of consumers switching to an alcoholic beverage on account of an increase in the price of a non-alcoholic beverage.
18. The CID considered that from an intended use perspective, alcoholic and non-alcoholic beverages are different. Consistent with case precedents at the Commission and given the parties are both active in this segment, the CID limited its assessment of the relevant product market to non-alcoholic beverages which are considered distinct from alcoholic beverages.

Non-alcoholic beverages

19. The CID noted the parties’ submission that in view of the absence of a horizontal overlap between the activities of the merging parties, the relevant market should be left open and be considered as the market for the supply of NARTD beverages within

³ Paragraph 7 of the COMESA Guidelines on Market Definition

⁴ See, Case File No. CCC/MER/03/03/2015, Merger involving Coca-Cola Beverages Africa Limited and the Coca-Cola SABCO Proprietary Limited; Case File No. CCC/MER/1/2/2022 Merger involving Coca-Cola Sabco (East Africa) Limited and Castel Malawi Limited



COMESA. The parties submitted that NARTD beverages include carbonated soft drinks, carbonated and still energy and sports drinks, carbonated and still fruit juice, flavoured milk, iced teas, iced coffee and carbonated and still bottled water. The CID considered that these products which the parties supply comprise separate markets, notwithstanding the absence of overlap in the activities of the parties. Further, leaving the market open as the supply of NARTD beverages would not give a true reflection as to the extent of operations of the merging parties and the competitive constraints on the parties pre- and post-merger. Therefore, the CID considered that it was necessary to examine the market further as to the level of segmentation for purposes of assessing this transaction.

20. The CID considered that NARTD are beverages with no alcoholic content which are ready to be consumed and may be sub-divided into carbonated and non-carbonated drinks as discussed below.

Carbonated NARTD

21. CID noted that carbonated NARTD are fizzy drinks which are rich in sugar or have a sugary taste and are pressurised with gas, mostly carbon-dioxide. Carbonated soft drinks are often consumed with fast foods and/or when a customer is taking a meal in a restaurant. The key characteristic feature of carbonated NARTD is that they bubble and fizz with carbon-dioxide and are made through a carbonation process, that is the process of pumping carbon dioxide into the drink at high pressure before being sealed in a container or the packaging material used to package the drinks. Alternatively, carbonation may happen naturally as the case is for mineral water which absorbs carbon dioxide from the ground.
22. The CID noted that within the carbonated NARTD category, many products and brands may compete with each other depending on their respective brands which may be a factor in influencing demand substitution. All these may reasonably be categorised in the same group with varying degrees of substitution among them. The CID noted that from an intended use perspective, it may appear that all fizzy drinks may offer similar satisfaction to a consumer in terms of quenching their thirst and providing that characteristic fizzy taste that cannot be satisfied by non-carbonated NARTD or even alcoholic beverages.
23. In the **CCSEA/Castel Malawi** merger, the CID noted that the carbonated NARTDs comprises of several products that can be considered as substitutes given the common characteristic feature of being carbonated. The CID considered that there is likely a general and broader market for carbonated NARTD market with a possibility of further delimitation especially in the case of infra-marginal customers who have an acquired characteristic taste to the extent that the SSNIP may not trigger their switch to alternative specific products within the broad carbonated NARTD.



Non-Carbonated NARTD

24. The CID observed that to the contrary, non-carbonated NARTD are non-fizzy or still beverages which comprise of a wide range of products such as fruit juice, non-carbonated energy drinks, water, cold dairy products, iced tea, iced coffee and hot beverages such as tea and coffee. These respective drinks can be said to have their own characteristics, price and intended use, thus influencing the pattern of demand by various consumers.
25. The CID noted that customers' different personal tastes and preferences may distinguish the respective products. A customer's preference for a non-carbonated NARTD on a hot summer day is more likely to be water, however, other consumers may be indifferent and opt for any of the non-carbonated NARTD available. The CID considered that a distinction may also be drawn on the manner a beverage is served/consumed, resulting in different beverages being distinguished despite being among the non-carbonated NARTD beverages. For instance, a distinction can be made between hot beverages (teas and coffees) and other beverages that are served cold. Thus, hot beverages such as tea or coffee are commonly served at breakfast as opposed to other non-carbonated soft drinks which may be served during the rest of the day than breakfast. The different patterns of consumption of beverages may differentiate hot beverages from the other beverages in the same category. Beverages such as fruit juices, water, and dairy products are consumed because they are perceived by the customer to be healthy and nourishing which can aid a healthy lifestyle. The CID further observed that under each of these categories, there can be further sub-categorisations. For instance, juice is available as freshly pressed juice, juice in tetra packs, made from natural fruits or fruit concentrates or blends.
26. The CID noted that the merging parties in the CCSEA/Castel Malawi merger were already part of the Coca-Cola system.
27. The CID therefore considered that the transaction was not likely to change the market structure, as such the relevant product market may be left open and at least comprise the supply of carbonated and non-carbonated NARTD beverages. While a further segmentation of these two categories is possible as discussed above, the CID considered that any narrower definition would not alter the outcome of the assessment.

Non-alcoholic Not Ready to Drink products

28. The CID noted that the Target, CCBA through Coca-Cola Beverages Malawi Limited supplies a cordial in Malawi under the brand of Sobo Squash which is a sweet non-alcoholic fruit flavoured concentrate which is a non-alcoholic and not ready to drink beverage. Similarly, in Zambia the Target supplies a cordial under the Mazoe brand through Coca-Cola Beverages Zambia Limited. Cordials are consumed after being mixed with water, still or sparkling, to produce the end product. This is different from how NARTD beverages are consumed as they do not need to be mixed with water before being consumed.



29. The CID however noted that, it is not unlikely that a cordial, once mixed with water can be substituted with a NARTD beverage. Thus, from a demand side perspective, non-alcoholic not ready to drink products are likely to have a significant number of overlapping customers. However, from a supply perspective, non-alcoholic NRTD products form a distinct relevant product market.⁵ The production of non-alcoholic not ready to drink products may require different ingredients, processes, machinery, skills and expertise. The case precedent at the Commission has shown that it is unlikely that companies producing non-alcoholic not ready to drink products would immediately change their processes and alter their machines to produce non-carbonated NARTDs in response to a small but significant non-transitory increase in price.⁶

30. **The CID considered the relevant market as the distinct non-alcoholic NRTD beverages.**

Bottled water

31. Bottled water can be defined as water that is sealed in food grade bottles which is intended for human consumption.⁷ Bottled water is available as still and sparkling, such as mineral water and spring water. Spring water may be labelled as mineral water where it fulfils the requirements regarding its composition and quality. Sparkling water is carbonated water which has a fizz from the added carbon dioxide gas while still water has no carbon dioxide added to it. Both carbonated and non-carbonated water may fall under the category of carbonated and non-carbonated NARTDs. However, the distinguishing factor may be that carbonated and non-carbonated water may not be in the NARTD classification. NARTD are beverages with a characteristic taste and are consumed not only to quench thirst but provide additional satisfaction. Water on the other hand is mainly consumed to quench thirst. There may be an insignificant number of consumers who may substitute water with traditional NARTDs, but they may not be significant enough to warrant construing the broader NARTDs market to include water.

32. The CID noted that, according to case precedent at the Commission, still and carbonated water comprise distinct markets.⁸ The CID observed that based on its previous decisional practice, demand side substitutability between non-carbonated water and carbonated water was likely to be limited. In terms of supply-side substitutability, it was observed that different production lines may be required by the suppliers such as having a carbonating system on a production line for carbonated water. The CID also noted that it has previously considered that entrants in the carbonated bottled water market may face high entry costs such as investments in marketing and packaging of carbonated bottled water and such requirements are unlikely to occur timely and efficiently to allow for effective substitution. Thus, the CID observed that non-carbonated water and carbonated bottled water belonged to distinct markets.

⁵ See Case File No. CCC/MER/1/2/2022 Merger involving Coca-Cola Sabco (East Africa) Limited and Castel Malawi Limited

⁶ Ibid

⁷ http://lancaster.unl.edu/enviro/water/ww10_04.shtml

⁸ Case File No. CCC/MER/1/2/2022 Merger involving Coca-Cola Sabco (East Africa) Limited and Castel Malawi Limited



33. The CID observed that the Target is active in the manufacture and supply of both non-carbonated and carbonated water, for instance the Keringet brand in Kenya produced by Nairobi Breweries Limited which is supplied both as non-carbonated and carbonated while the Sobo quench brand in Malawi produced by Coca-Cola Beverages Malawi Limited is non-carbonated. **Therefore, the CID considered that a market of the manufacture and supply of carbonated and non-carbonated bottled water should be identified.**
34. From the foregoing, the CID considered that relevant product market comprises the market for the manufacture and supply of non-alcoholic beverages which can further be segmented as follows:
- a. the manufacture and supply of carbonated and non-carbonated NARTD beverages;
 - b. the manufacture and supply of non-alcoholic NRTD beverages; and
 - c. the manufacture and supply of carbonated and non-carbonated bottled water.

Relevant Geographic Market

35. 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”.**

Manufacture and supply of carbonated and non-carbonated NARTD beverages

36. The CID noted that both merging parties operate Coca-Cola bottling operations across Africa. In respect of the Common Market, the Target, CCBA has bottling operations in Comoros, Eswatini, Ethiopia, Kenya, Malawi, Uganda, and Zambia and is authorised by TCCC to bottle and distribute in these countries. Further, the acquiring undertaking CCHBC is operational only in Egypt. Both parties are part of the Coca-Cola system, and they bottle and distribute TCCC branded non-alcoholic beverages in these latter respective territories in addition to other non-TCCC branded beverages.
37. In the Commission’s review of the **CCSEA/Castel Malawi** merger, it was considered that consumers in Malawi had an option to substitute locally produced brands with imported brands of non-alcoholic beverages. The Commission’s survey in the Malawi market confirmed marginal differences between the price of imported TCCC beverages and those of competing suppliers which suggested possibility of substitution, thus widening the market beyond national boundaries. The Commission concluded that given the absence of a change in the market structure in the said merger, the market could be left open.
38. The CID similarly observed that the current transaction entails disinvestment of TCCC shareholding in CCBA which will be purchased by CCHBC an existing authorised



bottler of TCCC. CCBHC is only operational in Egypt while CCBA's operations are concentrated in Southern Africa. The CID considered that the market structure in Egypt or the countries where CCBA currently operates were not likely to be altered as a result of the transaction. Therefore, the CID elected to leave the geographic market for the manufacture and supply of carbonated and non-carbonated NARTD beverages open.

Manufacture and supply of carbonated and non-carbonated bottled water

39. The CID has previously identified a market for manufacture and supply of bottled water as national.⁹ In its consideration, the Commission's survey in Malawi observed that the presence of other locally produced bottled water which competed with bottled water supplied by the parties in the said transaction in Malawi as such the geographic market was defined as national. The CID observed that a similar approach could be applied for carbonated bottled water whose market may indeed be limited to national particularly in the case of naturally carbonated water that may be seen to be unique to a country.
40. Given the absence of a change in the market structure, the CID considered that determination of the exact scope of the relevant geographic market was not necessary as this competitive assessment was not likely to be altered under alternative geographic market. Therefore, the CID considered that the geographic market for carbonated and non-carbonated bottled water could also left open.

Manufacturing and Supply of Non-Alcoholic Not Ready to Drink Beverages

41. The CID observed that cordials such as the Sobo and Mazoe brands are traded across the COMESA region particularly among Malawi, Zambia and Zimbabwe borders thus the market is likely to be beyond national. The Commission's survey conducted in the assessment of the **CCSEA/Castel Malawi**, confirmed that cordials imported from South Africa were present on the Malawi market effectively competing with the Sobo cordial brand.¹⁰ In the said transaction, it was concluded the relevant geographic market could be as wide as continental.
42. The CID considers that in the current transaction, the market can also be left open given the market structure is unlikely to be altered as a result of the transaction, and any alternative geographic market is not likely to change the assessment.

Conclusion of the Relevant Markets

43. Based on the foregoing assessment, and without prejudice to its approach in similar future cases, the CID identified the following relevant markets which were left open:
 - a. **the manufacture and supply of carbonated and non-carbonated NARTD beverages;**
 - b. **manufacture and supply of non-alcoholic NRTD beverages; and**

⁹ See Case File No. CCC/MER/1/2/2022 Merger involving Coca-Cola Sabco (East Africa) Limited and Castel Malawi Limited

¹⁰ Ibid



c. manufacture and supply of carbonated and non-carbonated bottled water.

Consideration of Substantial Lessening of Competition or “Effect” Test

Market Shares and Concentration

44. The CID noted the parties did not provide market shares according to the above defined relevant markets. The CID was of the considered view that given the transaction was not likely to result in any change in the market structure, it is not necessary to further assess the market shares or market concentration since the status quo would remain, post-merger.
45. Notwithstanding the above and for completeness, the CID has noted the parties’ submission of the market shares for CCBA for the general supply NARTD¹¹ in the Member States it operated as follows:

Table 2: Market shares for CCBA in the supply of NARTD¹² beverages

| Member State | Market share (%) |
|--------------|------------------|
| Comoros | [0 – 10]% |
| Eswatini | [40 – 50]% |
| Ethiopia | [20 – 30]% |
| Kenya | [60 – 70]% |
| Malawi | [50 – 60]% |
| Uganda | [30 – 40]% |

46. The CID observed that the above market structure of CCBA would remain as is post-merger, given the absence of horizontal overlaps in the activities of the merging parties. The CID recalled that the acquirer, CCHBC, is only active in Egypt, pre-merger.
47. The CID further observed the parties’ submission that the merged entity would continue to face robust competition from various established competitors and brands in each Member State. To this end, the CID noted that the parties’ competitors in the respective Member States where CCBA operates include among others, the following¹³:

¹¹ NARTD as defined by the parties include carbonated soft drinks, carbonated and still energy and sports drinks, carbonated and still fruit juice, flavored milk, iced teas, iced coffees and carbonated and still bottled water

¹² Ibid

¹³ Parties claimed confidentiality on the details of competitors



- a. Comoros: [REDACTED];
- b. Eswatini: [REDACTED];
- c. Ethiopia: [REDACTED];
- d. Kenya: [REDACTED];
- e. Malawi: [REDACTED];
- f. Uganda: [REDACTED];
- g. Zambia: [REDACTED].

- 48. The CID recalled that on 9 July 2022, it conditionally approved the **CCSEA/Castel Malawi** merger where undertakings given by the parties, are still under monitoring by the Commission until 8 July 2027.
- 49. The CID considered that considering the change in the shareholding structure in CCBA, including in Malawi, it was important to ensure that in the current transaction, the merged entity continues meeting the obligations imposed by the CID in its approval of the earlier transaction.

Determination

- 50. 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.
- 51. This approval does not negate or cancel the implementation of Commitments made in the CCSEA/Castel Malawi merger.
- 52. 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

