



Case File No. CCC/MER/10/41/2025

**Decision¹ of the 124th Meeting of the Committee Responsible
for Initial Determinations Regarding the Merger involving
Salvo Grima Kenya Ltd and Noble Outlook Limited**

ECONOMIC SECTOR: Fast Moving Consumer Goods



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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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

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 3 November 2025, the COMESA Competition Commission (“**Commission**”) received a notification for approval of a merger involving Salvo Grima Kenya Ltd (the “**Acquirer**”) and Noble Outlook Limited (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.
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

Salvo Grima Kenya Ltd (the “Acquirer”)

4. Salvo Grima Kenya Ltd is incorporated as an SPV in Kenya for this acquisition and is not yet operational. The Acquirer is a wholly owned subsidiary of Salvo Grima Group Limited, a company incorporated and registered in Malta and whose office is Marina Milling Complex Industrial Estate, Marsa, Malta (the “**Acquiring Group**”). The Acquiring Group is in the business of the wholesale distribution of Fast-Moving Consumer Goods (“**FMCG**”) and currently operates a tobacco products distribution business in Rwanda and Libya. It recently launched greenfield operations in the wholesale FMCG distribution in Uganda in August 2025.
5. Within the Common Market, the Acquiring Group operates in Burundi, Democratic Republic of Congo, Libya, and Rwanda.

Noble Outlook Limited (the “Target”)

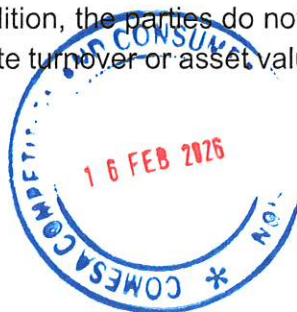
6. Noble Outlook Limited, the Target, is a company incorporated in the Republic of Kenya. The Target operates a distribution company in Kenya focused on FMCG, particularly tobacco products in Kenya.

Jurisdiction of the Commission

7. 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”.*
8. 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

9. The notification concerns the proposed acquisition by the Acquirer of 22,500 ordinary shares, constituting 75% of the issued share capital of the Target.

Competition Analysis

Consideration of the Relevant Markets

10. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the CID is guided by its Guidelines on Market definition and other authorities on the subject.
11. The CID observed that the merging parties were both active in the distribution of FMCG within the Common Market. The Acquirer distributes FMCG such food, personal care, homecare, beauty and well-being products including tobacco products in Rwanda and Uganda. The Target is engaged in the distribution of FMCGs particularly the wholesale distribution of tobacco products and only operates in Kenya.
12. The CID considered that the merger was likely raises horizontal overlaps in the distribution of FMCG specifically the distribution of tobacco products. However, the CID observed that the merging parties were not active in the same geographic market. The CID focused its assessment of relevant markets on the distribution of FMCG.

Relevant Product Market

13. The CID observed that Distribution of FMCG involves the selling of products that have a short shelf life and are purchased by consumers on a regular basis.² The FMCG sector comprises a large variety of products in categories such as food, beverages, personal care products, and home care products.
14. To distribute FMCG, a distributor ought to have a system of channels that ensures that FMCG reach consumers efficiently. Further, to distribute FMCG, a distributor should be linked across the value chain, thus being able to purchase FMCG from manufacturers; supply other wholesalers or intermediaries who buy FMCG in large quantities to sell in smaller quantities; access other distributors who can handle logistics, inventory and transportation; and retailers from whom the final consumer purchases FMCG. Therefore, the CID observed that the distribution of FMCG requires a distributor to have supporting facilities or capabilities such as warehousing, route-to-market coverage and inventory control.

² <https://assets.kpmg.com/content/dam/kpmg/za/pdf/Fast-moving-Consumer-Goods-in-Africa.pdf>



15. The CID noted that the merging parties are both generally active in the distribution of FMCG which includes tobacco products. Given distribution of FMCG entail distributing different product categories, narrow relevant markets may be identified based on product categories. However, the CID considered that there is business justification to distribute a suite of products since customers of FMCG across the distribution value chain tend to demand a mix of FMCG. Further, from a supply perspective and assuming a distributor is established along the value chain, it would be easy to switch between distributing difference products since the distributor would already be having the distribution facilities.
16. The CID took note of the specific submissions by the parties that that Target is active in the distribution of tobacco products in Kenya while the Acquirer is active in the distribution of the same products in Rwanda and Libya. The CID resolved not to consider tobacco as a narrow market in light of the absence of horizontal geographic overlap in the activities of the parties such that the assessment is unlikely to be altered under alternative narrower market.
17. For the purposes of conducting its assessment, the CID considered the relevant product market as the wholesale distribution of FMCG including the associated logistics services, transportation, warehousing and distribution.
18. Based on the foregoing assessment and without prejudice to its future approach in similar cases, **the CID construed the relevant product market as the wholesale distribution of FMCG.**

Relevant Geographic Market

19. The CID observed that distribution of FMCG is highly influenced by the distribution channels available in a particular country. For instance, the transportation infrastructure, costs of transportation and connectivity to the international markets. Therefore, the geographic scope for distribution of FMCG is likely to be national.
20. The CID further observed from the submission of the parties that the Target was only operational in Kenya, as such the geographic market for the distribution of FMCG was considered as Kenya.

Conclusion of Relevant Market Definition

21. For the purposes of assessing the proposed transaction, and without prejudice to its approach in future similar cases, the CID identified **the relevant markets as wholesale distribution of FMCG in Kenya.**

Consideration of Substantial Lessening of Competition or “Effect” Test

Market Shares and Concentration

22. The CID noted the parties did not provide their market shares and market shares for competitors in Kenya due to fragmented nature of the market and unreliable data.



The CID noted that while the Target was operational in Kenya, the Acquirer had no operations. Therefore, the market structure was not likely to be affected in Kenya and no competition concerns were unlikely. The CID therefore resolved not to consider any market shares.

23. Notwithstanding the above, the CID also observed that the Kenyan market was characterized by multiple competitors in the relevant market including Zenko Kenya Ltd, Wasoko (Formerly Sokowatch), Kotecha Wholesales Ltd, RTM Distributors, Spread Masters Ltd, Saha Distributors, IMA Distributors Ltd, Jumra Ltd, Mega Wholesales Ltd, and Bestbuy Commodities Ltd.

Determination

24. 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.
25. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 16th February 2026

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Luyamba Kizito Mpamba

