



**Case File No. CCC/MER/10/39/2025**

**Decision<sup>1</sup> of the 124<sup>th</sup> Meeting of the Committee Responsible for Initial Determinations Regarding the Proposed Acquisition by B.S.A. SAS of sole control of Mainland Group Holdings Limited**

**ECONOMIC SECTOR:** Dairy and dairy products



**16 February 2026**

<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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 21 October 2025, the COMESA Competition Commission (“**Commission**”) received a notification for approval of a merger regarding the proposed acquisition by B.S.A. SAS (“**Lactalis**” or the “**Acquiring Firm**”, together with its controlling and controlled affiliates, the “**Lactalis Group**”), or a wholly owned subsidiary of Lactalis, of all the shares in Mainland Group Holdings Limited (“**Mainland Group Holdings**”, together with its subsidiaries, the “**Mainland Group**” or the “**Target**”) from Fonterra Equities Limited (“**FEL**”), 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.



- 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

### *Lactalis (the “Acquiring Firm”)*

- Lactalis is a société par actions simplifiée incorporated in accordance with the laws of France, and is the holding company of the Lactalis Group, an international dairy group which, through its subsidiaries, is active in the production, processing and sale of dairy products across Europe, the Middle East, Asia-Pacific, Africa and the Americas. Lactalis Group supplies both branded and private label dairy products. Lactalis’ dairy-based products include six main categories, namely cheese, drinking milk, yoghurt, butter and cream, dairy ingredients and nutrition.
- It was submitted that Lactalis Group’s product brands and description were the following:

**Table 1: List of Lactalis international and regional brands**

International brands	
Brand	Description
	Président is a trademark for a range of cheese, cream and butter
	Galbani is a brand of mediterranean cheeses such as Italian cheeses
	Parmalat offers a wide range of dairy products, from fresh milk to yoghurts, cheeses and milk-based desserts.
	Kraft is a brand of range of cheese slices
	Pauls is a range of dairy based products including milk, custards, yoghurts and creams
	Lactel develops a range of milk and produces dairy desserts
	Bridel offers different varieties of milk, butter, cream and cheese



	Ambassador specialises in vegetable whipping cream and blended butter.
<b>Brand</b>	<b>Description</b>
	Santal offers a range of drinks
	Societe offers a range of Roquefort cheeses
	Seriously specialises in producing a range of cheddar
	Flory provides large quantities of dairy products meant for professional use
<b>Regional brands</b>	
	QBB offers a large range of clarified butter
	Valbreso makes products using sheep's milk
	Pride offers a large variety of dairy products mostly produced in Saudi Arabia
	Laicran offers a range of milk powder and UHT milk in a small brick format
	Smeds produces premium dairy products and is a leading brand in Lebanon and Middle East
	Penguin produces premium dairy products and chocolate spread.

6. In the Common Market, Lactalis Group's activities related to the manufacture/import of dairy products including liquid milk, cream, butter and cheese, amongst other products.









7. Within the Common Market, Lactalis Group operates in all the Member States except Burundi and Eritrea.

**Mainland Group (the “Target”)**

8. Mainland Group Holdings is a company incorporated in accordance with the laws of New Zealand and is the holding company of FEL’s worldwide consumer business (excluding greater China) and consumer brands, as well as integrated ingredients business in Australia, and food service business in Australia, New Zealand, Sri Lanka, and the Middle East (excluding certain global quick service restaurant customers).
9. Mainland Group’s product brands available in the Common Market and their description were submitted as follows:

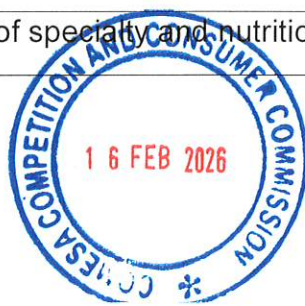
**Table 2: Mainland Group brands available in the Common Market and their description**

Brand	Description
	Anchor is a brand of dairy products also known as Fernleaf in some Asian countries
	Perfect Italiano is a brand of Italian cheeses crafted for meals
	Chesdale is a brand of processed cheese
	Anlene is a dairy brand focused on adult nutrition, especially bone, joint and muscle health. It offers products enriched with calcium, collagen and protein to support active lifestyles and health aging
	Red cow is a dairy brand known for its nutritional milk powders, often used in specialised health and wellness contexts.
	Farmland is a dairy brand under Fonterra, historically present in various markets.

10. The parties submitted the Target’s activities in the Common Market for the preceding financial year as follows:

**Table 3: The Target’s activities in the Common Market**

Member State	Activities
Madagascar	Supply of specialty and nutritional powders



Mauritius	Supply of cheese, specialty and nutritional powders, butter, cream, liquid milk and milk powder
Seychelles	Supply of milk powder, cheese and butter

### 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 acquisition by Lactalis of all the shares in Mainland Group from its current sole shareholder, FEL. The parties submitted that under the terms of the share purchase agreement, Lactalis will acquire all of the issue shares and rights attached to the shares in the Target. Further, the title to the shares will remain with FEL until completion of the proposed transaction, at which point all ownership and voting rights will transfer to Lactalis. Upon completion of the transaction, Lactalis will have sole control over Mainland Group.



## 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.
15. The CID observed that the merging parties were both active in the production and supply of dairy products. The CID noted that dairy products are food items made from milk, including milk, cheese, yogurt, butter and cream. The CID also observed that the parties' activities in the Common Market overlap in supply of dairy products (specifically butter, cream, cheese, milk powder, milk) in Madagascar, Mauritius and Seychelles.
16. In view of the absence of overlap in the other Member States where the parties were present, the CID's assessment of the market dynamics was limited to Madagascar, Mauritius and Seychelles where both parties were present as presented below.

#### *Relevant Product Market*

17. The CID considered Paragraph 7 of the Commission's Guidelines on Market Definition states that a "*relevant product market comprises all those products and/or services which are regarded as interchangeable or substitutable by the consumer/customer, by reason of the products' characteristics, their prices and their intended use*". The CID noted that case law has established that within broad markets, submarkets may exist which, in themselves, constitute product markets for antitrust purposes.<sup>2</sup> The boundaries of such a submarket may be determined by examining the product's peculiar characteristics and uses, unique production facilities, distinct customers, distinct prices, sensitivity to price changes, and specialized vendors.<sup>3</sup> As presented above, the merging parties have a common supply of butter, cream, cheese, milk powder, liquid milk in Madagascar, Mauritius and Seychelles.

#### *Supply of liquid milk*

18. The supply of liquid milk can be segmented into fresh milk and long-life liquid milk. Fresh milk is milk with a standardised fat content, which is pasteurised at 72° Celsius for 15 seconds. Pasteurised fresh milk is still perishable and can be held for 8-9 days if stored and transported refrigerated. Long-life milk is liquid milk produced from raw milk, either through sterilisation or ultra-high temperatures (UHT). In **Lactalis/Greenland** and **Friesland Foods/Campina**, it was acknowledged that narrow markets can be identified under the supply of milk, namely fresh milk and long life milk. Thus, factors such as differences in shelf life

<sup>2</sup> United States v. E. I. du Pont de Nemours Co.,

<sup>3</sup> [Brown Shoe Co. v. United States, 370 U.S. 294 \(1962\), paragraph 325.](#)



and storage requirements, whereby fresh milk must be transported and stored refrigerated and has a shorter shelf life, form a basis for distinguishing these markets. To the contrary, long-life milk can be transported and stored without a need for refrigeration and its shelf life can last up to six months.<sup>4</sup> Therefore, liquid milk can be distinguished into fresh and long life milk.

19. **For purpose of this transaction, the CID identified the market for the supply of liquid milk.**

*Supply of powdered milk*

20. The CID noted that powdered milk or dried milk is real cow's milk that has had its water content removed through evaporation and spray drying. This process preserves the milk and allows it to have a long shelf life while retaining its proteins, calcium, vitamins, and minerals. It is used in various applications such as infant formula, baking, and as an ingredient in candies and chocolates. It is available in different forms, such as whole, skim, and non-fat varieties, catering to various dietary needs.
21. Powdered milk can be identified as a separate market from other products from milk given differences in production process, characterises and use.
22. For purposes of assessing this transaction, the CID identified the market for the supply of powdered milk as a separate relevant market.

*Supply of Cheese*

23. The CID noted that cheese production comprises of soft cheese (white) production, processed cheese and hard cheese which differ in terms of physical characteristics such as percentage of humidity; percentage of salt; the type of fat used; texture and the manufacturing operation. On this basis, it is arguable that narrower markets for cheese can be identified for purpose of conducting a competitive assessment.
24. The CID observed from the parties' submission that they are broadly involved in the supply of cheese. The CID further observed from the submissions received from the Competition and Consumer Protection Commission of Zambia and the Competition Commission of Mauritius which similarly adopted a broad market for the supply of cheese for purposes of assessing this transaction.
25. **For purpose of assessing this transaction, the Commission takes a similar approach and identifies a broad market for the supply of cheese.**

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<sup>4</sup> See EC decision COMP/M.5046 of 17 December 2008 – Friesland Foods/Campina; Decision of Seventy-First (71st) Committee Responsible for Initial Determination Regarding the Acquisition by Dairy Distributors S.A.E. of Greenland Group for Food Industries S.A.E.



*Supply of Cream and butter*

26. The CID observed that cream is the high-fat layer that rises to the top of milk before it is homogenized. It contains 30% to 55% milk fat and is produced by skimming the fat from the top of whole milk. It can be categorised into heavy cream or light cream and can vary in thickness depending on the difference in fat content. With respect to usage, cream is often used in cooking and baking for its rich texture and ability to add creaminess to dishes.
27. The CID observed that butter, on the other hand, is made by churning cream, which separates the butterfat from the liquid buttermilk. It typically contains about 80% milk fat, making it a semi-solid at room temperature. The churning process transforms cream into butter by agitating it until the fat molecules clump together. As for the physical characterises, butter is solid or semi-solid with a pale yellow color. It is used as a spread, cooking fat, and ingredient in baking, providing flavor and moisture to recipes.
28. The CID observed that on account of the differences in the production process, physical characterises and usage, butter and cream can be considered as distinct markets.
29. **For purposes of assessing this transaction, the supply of butter and the supply of cream are identified as separate markets.**
30. Based on the foregoing assessment and without prejudice to its approach in similar future cases, the relevant product markets were considered as the:
  - a. **Supply of liquid milk;**
  - b. **Supply of powdered milk;**
  - c. **Supply of cheese;**
  - d. **Supply of cream; and**
  - e. **Supply of butter.**

*Relevant Geographic Market*

31. 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"**.
32. The CID observed that, although having incorporated entities in Egypt, Eswatini and Zambia, the Acquiring Firm generally operates in the Common Market through its controlled companies registered outside the Common Market (that is via exports).



33. The CID also observed that the Target has no firms incorporated in the Common Market, however, its presence in Madagascar, Mauritius and Seychelles is through the supplies of its products through exports.
34. Despite the parties' importation business model, each country where the parties supply their products can be considered a distinguished area in which the parties face competitive conditions that are sufficiently homogenous and distinguishable from other countries. From a demand perspective, end consumers are likely to make their purchasing decisions having consideration to the prices, availability of the parties' products and competing brands in their country of residence. The relevant markets can therefore be considered as national in scope.
35. Having regard to the products supplied by the parties in the Common Market, the CID observed there are product overlaps in Mauritius and Seychelles as follows:

**Table 4: Parties' overlapping markets in the Common Market**

Member State	Products by Lactalis Group	Products by The Target
Mauritius	Butter, cream, cheese, milk powder, milk	Butter, cream, cheese, milk powder, liquid milk
Seychelles	Butter, cheese,	Butter, cheese

36. The CID further observed that despite both parties' presence in Madagascar, they are not active in the provision of similar products. Therefore, for purposes of conducting a competitive assessment of the transaction, Madagascar was not considered as relevant geographic market given the absence of product overlap.
37. Therefore, the relevant geographic markets have been identified as national and in relation to Mauritius and Seychelles. The CID noted that despite the parties being present in Madagascar, they did not supply similar products hence for purpose of assessing this transaction, Madagascar was not considered as a relevant geographic market.

*Conclusion of Relevant Market Definition*

38. 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. Supply of liquid milk in Mauritius;
  - b. Supply of powdered milk in Mauritius;
  - c. Supply of cheese in Mauritius and Seychelles;
  - d. Supply of cream in Mauritius; and



e. Supply of butter in Mauritius and Seychelles.

**Consideration of Substantial Lessening of Competition or “Effect” Test**

**Market Shares and Concentration**

- 39. The CID considered that an analysis of market concentration at the broad dairy products’ market was important in understanding the extent to which the transaction was likely to change the market structure and affect competition.
- 40. The CID noted the submission by the parties of the market shares for the supply of dairy products in Mauritius and Seychelles as follows:

**Table 5: Market shares of the parties and competitors in dairy products in Mauritius**

Name of undertaking	Estimated market share %
Twin Cows (Brand by Trade Kings)	[5-10]%
Snowy	[5-10]%
Smatch	[0-5]%
<b>The Lactalis Group</b>	<b>[0-5]%<sup>5</sup></b>
<b>The Target</b>	<b>[20 – 30]%<sup>6</sup></b>

- 41. The CID observed that the transaction results in limited market share accretion. In Mauritius, the transaction results in a market share accretion of [0-5]% with the merged entity holding a market share of [30-40]% post-merger thus being a leading player on the market. To consider the extent of that change in market structure in Mauritius, the CID assessed the Herfindahl-Hirschman Index (“**HHI**”) for the broad market using the estimated market shares provided by the parties for the players in the industry. The CID considered the pre- and post-merger HHI which indicated that the change in HHI will be 216.216 (1123.525 – 907.3089). Accordingly, the CID held the view that the market for dairy products in Mauritius was competitive pre- and post-merger given the respective HHIs where below 1500 points.<sup>7</sup> Further, given the change in HHI of 216.216, the merger was unlikely to enhance market power of the merger entity in a market that was competitive.
- 42. With regards to the market in Seychelles, the CID noted the parties submitted the following market shares for the dairy products.

<sup>5</sup> Estimated market shares are by value of sales of the parties

<sup>6</sup> Estimated market shares are by value of sales of the parties

<sup>7</sup> According to the U.S. Department of Justice, a market with an HHI of less than 1,500 to be a competitive marketplace. An HHI of 1,500 to 2,500 would be a moderately concentrated marketplace and an HHI of 2,500 or greater would be a highly concentrated marketplace



**Table 6: Market shares of the parties and competitors in dairy products in Seychelles**

Name of undertaking	Estimated market share %
Melody Dairies GP Limited	[30-40]%
Seychelles Trading Company Milk Powder	[20-30]%
Nestle (Nido)	[5-10]%
<i>The Lactalis Group</i>	[0-5]% <sup>8</sup>
<i>The Target</i>	[0-5]% <sup>9</sup>

43. The CID assessed the HHI in Seychelles for the market of dairy products and observed that the pre- and post-merger HHIs indicated that the change in HHI will be 5.6832 (2615.3664 – 2609.6832). Accordingly, the CID considered that the market for dairy products in Mauritius was highly concentrated pre- and post-merger given the respective HHI which are above 2500 points. However, the change in HHI of 5.6832 resulting from the transaction was considered as unlikely to significantly alter the market structure in Seychelles. The CID observed that the parties were small players who face competition from significant players in Seychelles.
44. However, the CID considered that it was still necessary to assess the effect of the market structure of the narrower markets identified as further discussed below.

*Assessment of narrower markets*

45. The CID noted the parties' submission that the markets share in respect of the identified narrower relevant markets as presented in table 7 below. The parties further submitted that given their limited physical presence in the COMESA region, they have limited visibility on the landscape and third party data in the Common Market.

**Table 7: Market shares for identified narrower markets**

Member States	Relevant Market	Lactalis Group		The Target Group		Combined Market Shares	
		Value	Volumes	Value	Volumes	Value	Volumes
Mauritius	Butter	█%	█%	█%	█%	█%	█%
	Cream	█%	█%	█%	█%	█%	█%

<sup>8</sup> Estimated market shares are by value of sales of the parties

<sup>9</sup> Estimated market shares are by value of sales of the parties



	Cheese	█%	█%	█%	█%	█%	█%
	Milk powder	█%	█%	█%	█%	█%	█%
	Milk	█%	█%	█%	█%	█%	█%
Seychelles	Butter	█%	█%	█%	█%	█%	█%
	Cheese	█%	█%	█%	█%	█%	█%

46. From the above, the CID considered the change in market structure using the market shares by value of sales of the merging parties. The CID observed that the transaction results in market share accretion in all the identified relevant markets as follows.

Supply of powdered milk

47. In Mauritius, the merged entity will hold a market share of [40-50]%. Pre-merger, the acquirer held a market share of [0-5]% while the Target held [40-50]%. The CID considered that despite the merged entity holding a significant market share, the market structure is not likely to be significantly altered given the market share accretion emanates from a [0-5]% change which is insignificant as such the market is likely to remain competitive. This is consistent with the assessment of HHI above that the dairy products market in Mauritius is generally competitive.

Supply of liquid milk

48. The transaction will result in the merged entity holding a market share of [30-40]% (resulting from Lactalis [20-30]% + Target [5-10]%) in Mauritius. The CID considered that despite the merged entity holding a significant market share of [30-40]%, the market structure is not likely to be significantly affected given the accretion results from a [5-10]% market share. This is consistent with the assessment of HHI above that the dairy products market in Mauritius is competitive.

Supply of cream

49. In Mauritius, the merged entity will hold a market share of [10-20]% (resulting from Lactalis [5-10]% + Target [5-10]%). The CID considered that this market is likely to remain competitive given the merged entity will not hold a significant market share and is likely to continue facing competition from players active in the remainder of the market.

Supply of butter

50. With respect to Mauritius where the merged entity will hold a market share of [20-30]% (resulting from Lactalis [10-20]% + Target [10-20]%). The CID considered that this market is likely to remain competitive given the merged entity will not hold



a significant market share and is likely to continue facing competition from players active in the remainder of the market.

51. Similarly, the merged entity will hold a market share of [0-5]% in the supply of butter in Seychelles which is not significant to raise any competition concerns. This is also consistent with the assessment of HHI which confirmed that the markets were highly concentrated in Seychelles with significant players such as Melody Dairies GP Limited, Seychelles Trading Company and Nestle and whilst the parties are not significant players in this market. The transaction is not likely to raise concerns emanating from the concentration of the supply of butter market given the insignificant market shares of the merged entity.

#### Supply of cheese

52. In Mauritius, the merged entity will hold a market share of [5-10]% which is unlikely to raise any competition concerns. The merged entity is likely to continue facing competition from other players in the remainder of the market.
53. With respect to the Seychelles, CID observed that the merged entity will respectively hold [0-5]%. The CID considered that the transaction is not likely to raise concerns emanating from the concentration of the supply of cheese market in Seychelles given the insignificant market share of the merged entity.
54. The CID further considered that import competition in the Common market including in Mauritius and Seychelles is likely to be strong as can be observed from the business model of the merging parties of their products in the Common Market. As seen from the merger filing, the Target has no physical presence in the Common Market but is able to supply products to the Common Market from locations outside COMESA. Similarly, Lactalis has a physical presence in only three (3) Member States (while noting the submission by CCPC that Lactalis seized its operations in Zambia in April 2025) but is able to supply dairy products into sixteen (16) COMESA Member States from locations outside the Common Market. The structure of the supply of dairy products is inherently fragmented, with domestic dairy processors operating alongside global multinationals.
55. The CID therefore considered the relevant markets are likely to remain competitive post-merger given the transaction results in minimal market share accretion in the identified relevant markets. Further, the effect of import competition in the dairy industry cannot not be ignored and this is likely to continue to put competitive pressure on the merged entity.

#### **Barriers to Entry**

56. The CID noted the parties' submission that barriers to entry and expansion are not insurmountable. Raw milk constitutes the principal input in dairy products and is widely available across the Common Market. The CID further considered that



given the prominence of the imported products in the Common Market, entry requirements into these markets include licensing and permits.

57. The CID further observed the parties' submission that the time for entry into the supply of dairy products in the Common Market would depend on several factors, including the scale of entry, the specific products involved, and the chosen mode of entry (e.g., greenfield investment, acquisition or contract manufacturing).
58. The CID considered that the relevant markets did not have high barriers to entry, thus making entry likely, timely and sufficient. The CID also considered that the fact that parties were able to export into the Common Market include in Mauritius and Seychelles, from their entities located out of the Common Market was evidence of the possible ease of entry.

***Consideration of Dominance/ Unilateral Effects***

59. In the current transaction, the CID noted that the transaction will result in market share accretion in the relevant markets in respect of Mauritius as Seychelles as follows:

**Table 8: Merged entity's market shares in the relevant markets**

Member States	Relevant Market	Market share by value
Mauritius	Butter	[20-30]%
	Cream	[10-20]%
	Cheese	[5-10]%
	Milk powder	[40-50]%
	Milk	[30-40]%
Seychelles	Butter	[0-5]%
	Cheese	[0-5]%

60. From the above table, the CID noted that in the markets for butter, cream and cheese in Mauritius where the merged entity will respectively hold [20-30]%, [10-20]% and [5-10]%, the merged entity is not likely to emerge as a dominant player given the market shares in these markets will fall below the threshold of 30% provided for under the COMESA Guidelines on Abuse of Dominance. Therefore, the CID considered that unilateral effects are unlikely to result from the merger and the merged entity will still face competition from other players, including import competition.
61. Similarly, in the market for butter and cheese in Seychelles where the merged entity will respectively hold [0-5]% and [0-5]% market share, the merged entity is not likely to emerge as a dominant player given that its respective market shares



in these markets will fall below the threshold of 30% provided for under the COMESA Guidelines on Abuse of Dominance.

62. With respect to the market for supply of powdered milk in Mauritius, the CID observed that the Lactalis held a market share of [0-5]% while the Target held a market share of [40-50]% (that is the Target was dominant pre-merger). Therefore, the merger entity which will hold an estimated market share of [40-50]% will be dominant in this market such that unilateral effects may be likely. However, the CID observed that the transaction results in an insignificant market share accretion, which puts in doubt the incentive for the merged entity to engage in unilateral effects and foreclose the market.
63. With respect to the market for liquid milk in Mauritius, the CID noted that the merged entity will hold a market share of [30-40]% thus surpassing the dominance threshold of 30%. However, it is noted from the submission of Competition Commission in Mauritius that the market leader pre- and post-merger is Candia which the CID considers will still compete with the merged entity. The CID was of the considered view that there is no incentive for the merged entity to engage in unilateral conduct by virtue of the merger.

#### ***Consideration of Vertical Effects***

64. The CID observed that the parties have no vertical relationships, pre-merger given Lactalis Group and the Target are not in a customer supplier relationship. Particularly, the Lactalis Group did not supply any products to, or procure any products from, the Target in the Common Market and conversely, the Target did not supply any products to or procure any products from the Lactalis Group in the Common Market.
65. The CID has therefore not considered any vertical effects of the merger.

#### ***Consideration of Coordinated Effects***

66. The removal of a firm through a merger may facilitate coordination, express or tacit, among the remaining firms in the industry, leading to reduced output, increased prices, or diminished innovation. Stable or successful coordination requires an ability to detect and punish deviations that would undermine the coordinated interaction.
67. Given that there are minimal overlaps between the merging parties, the CID is of the view that the transaction is not removing any significant competitor from the relevant market and therefore will not create any added incentive for the existing players to engage in successful collusion.

#### **Determination**

68. 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.

69. 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**

