



Advancing Regional Integration  
through Competitive Markets  
and Empowered Consumers

**Case File No. CCC/MER/04/18/2026**

**Decision<sup>1</sup> of the Fifth (5<sup>th</sup>) Meeting of the Panel Responsible  
for Determinations Regarding the Proposed Acquisition by  
CFAO Healthcare of Several Assets of the Pharmoscar Group  
from Pharmoscar**

**ECONOMIC SECTOR: Health**



**10 June 2026**

<sup>1</sup> In the published version of this decision, the COMESA Competition and Consumer Protection Commission has omitted or replaced information by ranges of figures or a general description, due regard had to the legitimate interest of undertakings in the protection of their business secrets, pursuant to Rule 37 of the COMESA Competition and Consumer Protection Rules 2025.

## **The Panel Responsible for Determinations,**

The Panel Responsible for Determinations (“**Panel**”) established pursuant to Regulation 20 of the COMESA Competition and Consumer Protection Regulations (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 Charter Four thereof;

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 19 May 2026, the COMESA Competition and Consumer Commission (the “**Commission**”) received a notification regarding the proposed acquisition by CFAO Healthcare (“**CFAO Healthcare**” or “**Acquirer**”) of several assets of the Pharmoscar Group (“**Target Assets**”) from Pharmoscar, pursuant to Regulation 42(1) of the Regulations.
2. Pursuant to Regulation 47 of the Regulations, the Commission is required to determine whether or not the merger is likely to substantially lessen competition and/or is likely to significantly affect public interest in the Common Market.

### **The Parties**

#### **CFAO Healthcare**

3. CFAO Healthcare, a subsidiary of CFAO SAS (“**CFAO Group**”), is involved in the production, wholesale, and retail of pharmaceutical and health-related products in French overseas territories and in Africa (in francophone, lusophone, and anglophone countries). CFAO Group is also a key player in mobility, healthcare, consumer goods, infrastructure, and energy sectors. CFAO Group partners with



leading international brands and covers the entire value chain – imports, production, and distribution – in line with the best international standards, drawing on 170 years of hands-on knowledge and local expertise. CFAO Group pursues a strategy designed to offer, through its distribution network, tailored, affordable products and services to people across Africa.

4. CFAO Group is a wholly owned subsidiary of the Toyota Tsusho Corporation (“**TTC**”), a company duly organized and existing under the laws of Japan, which is a general trading company in the field of automotive logistics, projects & industrial equipment, agricultural equipment, pharmaceutical products having global automotive business network, good experiences on vehicle logistics, and strong focus on developing new businesses designs to solve including energy & infrastructure.
5. TTC’s main activities in Africa and in the Common Market through its affiliate CFAO SAS include the following:
  - a) **automotive**: activities include new car sales and after-sales service, automobile production support, used car sales, vehicle assembly and production, import, wholesale, and lease of construction and agricultural machinery, local parts manufacturing, and distribution;
  - b) **healthcare**: CFAO Healthcare, a subsidiary of TTC, engages in healthcare activities, including production, wholesale, and retail of pharmaceutical products; and
  - c) **infrastructure**: development projects, mainly in the areas of renewable energy (wind, solar, geothermal, etc.), port development, and water resources.
6. In the Common Market, the CFAO Group operates in Burundi, Comoros, Democratic Republic of Congo (“**DRC**”), Djibouti, Egypt, Ethiopia, Kenya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Uganda, Zambia and Zimbabwe.

### ***The Target Assets***

7. The parties submitted that the Target Assets are as follows:
  - a) Iotrad Pharmaceuticals Ltd, a company registered in Mauritius which specializes in the wholesale distribution of drugs, small medical devices, and personal care products from Europe, the US, and Asia, and provides logistics support to Opham SA;
  - b) Iopharma Co Ltd, a subsidiary of Iotrad, a company registered in Mauritius which operates an activity of wholesale distribution of pharmaceutical products and medical devices in Mauritius (since 2025);



- c) Opham SA, a subsidiary of Iotrad, a company registered in Madagascar, which specializes in the wholesale distribution of drugs, medical devices, personal care products, and baby food in Madagascar and Comoros; and
  - d) the following DESKA brands:
    - i. "DESKA" registered under the numbers 22392 & 22391, on 04/08/2021, in Madagascar by OPHAM SA;
    - ii. "DESKA" registered under the numbers 29673/2021 & 29674/2021, on 25/05/2021, in Mauritius by DESKA Ltd, a company registered in Mauritius which operates in the manufacturing of generic drugs and small medical devices;
8. The Target Assets engage in the wholesale distribution of pharmaceuticals and other health-related products, as well as personal care products and baby food in Madagascar, Comoros, and Mauritius.

### **Jurisdiction of the Commission**

9. Regulation 42(1) of the Regulations requires a 'notifiable merger' to be notified to the Commission prior to its implementation. Only mergers that satisfy the prescribed thresholds pursuant to Regulation 41(5) and 41(8) of the Regulations 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 Regulations, 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.
10. 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 Regulations.



## Details of the Merger

11. The notified transaction concerns the proposed acquisition by CFAO Healthcare of up to 100% of Target Assets.

## Competition Analysis

### *Consideration of the Relevant Markets*

12. In the determination of the relevant market, which is divided into relevant product and relevant geographic markets, the Panel is guided by the COMESA Guidelines on Market Definition and other authorities on the subject.

#### *Relevant Product Market*

13. The Panel 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”**.<sup>2</sup>
14. The Panel noted that the merging parties are both active in the pharmaceutical and other health-related products value chain as follows:
  - a) the Acquiring Group is active in the wholesale distribution of pharmaceuticals and other health-related products in Burundi, Comoros, DRC, Djibouti, Ethiopia, Kenya, Madagascar, Mauritius, Rwanda, Uganda, Zambia, and Zimbabwe. However, its Zambian subsidiary is currently dormant. Within the Common Market, the Acquiring Group is also active in the personal care products market in Kenya, Uganda, and Madagascar. It has a limited presence in the wholesale supply of baby food products, specifically infant milk formula, in Kenya, Uganda, and Madagascar.
  - b) the Target Assets are active in the wholesale distribution of pharmaceutical and other health-related products, personal care products, and baby food in Madagascar, Comoros, and Mauritius, as well as the manufacture of generic pharmaceuticals and small medical devices.
15. The Panel noted that the transaction will give rise to a horizontal overlap in the wholesale distribution of pharmaceutical and other health-related products, personal care products and baby food.
16. The Panel further noted that the Acquiring Group supplies pharmaceutical and related products to the Target Assets. As such, the transaction will also give rise to a vertical relationship, arising from the upstream supply of pharmaceutical and

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<sup>2</sup> Paragraph 7 of the COMESA Guidelines on Market Definition



health-related products by the Acquiring Group and the downstream wholesale distribution activities of the Target Assets.

17. Accordingly, for the purposes of this transaction, the Panel's assessment of the relevant product markets focused on the horizontal overlap in the wholesale distribution of pharmaceutical and other health-related products, personal care products, and baby food, as well as the vertical relationship arising from the upstream supply of pharmaceutical and related products by the Acquiring Group to the downstream wholesale distribution activities of the Target Assets.

Wholesale distribution of pharmaceutical and related healthcare products

18. The Panel noted that pharmaceutical products consist of one or more active ingredients intended to treat specific medical conditions. Thus, the intended therapeutic use of a product inherently limits its substitutability with other pharmaceutical products.<sup>3</sup> In addition to pharmaceutical products, healthcare supply chains often include related medical devices and healthcare consumables (such as syringes, needles, stethoscopes, diagnostic kits, and other ancillary medical products), which are used alongside medicines in the delivery of healthcare services and are frequently distributed through the same commercial channels.<sup>4</sup>
19. In line with the decisional practice of the Committee Responsible for Initial Determinations,<sup>5</sup> the Panel noted that pharmaceutical products can be broadly classified as pharmaceutical products for human use and pharmaceuticals for veterinary (animal) use. These categories are not interchangeable; products intended for human consumption cannot be used for animals and vice versa. The Panel further noted that the present transaction related exclusively to the wholesale distribution of human pharmaceutical products, which is the segment in which the parties operate.
20. The Panel observed that the wholesale distribution of pharmaceutical products and related medical devices involves the procurement, storage, and supply of medicines and healthcare products from manufacturers to authorised wholesalers, which then distribute these products to downstream healthcare providers such as pharmacies, hospitals, clinics, wholesalers, NGOs, research institutions, and, in some cases, dispensing practitioners, for ultimate use by patients. The Panel noted that the parties distribute both pharmaceutical products and related healthcare products to a range of professional customers operating within the healthcare sector.

<sup>3</sup> Decision of the Ninety-Fifth (95<sup>th</sup>) Committee Responsible for Initial Determinations Regarding the Proposed Merger involving Elgon Healthcare Limited and Westlands Heights Limited.

<sup>4</sup> <https://www.girp.eu/role-and-value-full-service-healthcare-distributors>, accessed 10 June 2026

<sup>5</sup> Decision of the 117<sup>th</sup> Meeting of CID the Proposed Acquisition by CFAO Healthcare of 69.9% of the issued share capital of Africa Chemist & Beauty Care Inc., Case File No. CCC/MER/01/01/2025; Decision of the 74<sup>th</sup> Meeting of the CID regarding the Proposed Acquisition of 98.7277931% of the issued share capital of Adwia Company S.A.E. by Zanzibar Pharma Limited, Case File No. CCC/MER/08/18/2020; and Decision of the 78<sup>th</sup> Meeting of the CID regarding the Proposed Merger Involving Ultra Welfare Ltd and Amoun Pharmaceutical Company S.A.E. Case File No. CCC/MER/03/11/2021.



21. The Panel further noted that wholesale distributors are typically appointed by manufacturers as authorised or official distributors within defined territories and operate under formal distribution agreements and regulatory frameworks, reflecting the sensitive and regulated nature of pharmaceutical products and, where applicable, regulated medical devices. The Panel observed that these distributors performed an essential intermediary function in ensuring the availability, integrity, and timely supply of healthcare products across the supply chain.
22. The Panel observed that wholesalers operate exclusively at the intermediate level of the supply chain and do not supply products directly to end consumers. This distinguishes wholesale distribution from retail pharmaceutical distribution, which involves direct sales to patients through pharmacies and other retail outlets. The Panel noted that the parties are active at the wholesale level of the supply chain, supplying pharmaceutical products, medical devices, and related health products to professional customers within the healthcare sector.
23. While recognising that pharmaceutical products and medical devices may, in some circumstances, constitute distinct product categories due to differences in their regulatory treatment and end-uses. The Panel considered that, for purposes of the present transaction, it was appropriate to define the relevant product market broadly as the **wholesale distribution of pharmaceutical products and related healthcare products**, including small medical devices and consumables, given that these products are distributed through substantially similar supply channels, to overlapping customer groups. Further, the Panel considered that no competition concerns were likely to arise under any narrower market segments in view of the parties limited market shares.

*Wholesale distribution of beauty and personal care products*

24. The Panel noted that beauty and personal care products comprise a broad range of non-pharmaceutical consumer products intended for personal hygiene, grooming, skincare, haircare, cosmetics, fragrances, and general wellbeing. These products include soaps, shampoos, conditioners, body lotions, facial creams, deodorants, colour cosmetics, men's grooming products, and sun care products.
25. Such products are designed for application on different parts of the human body and are formulated according to their intended use and the characteristics of specific part of the body. Accordingly, narrower segmentations may exist within the broader category, including facial care, body care, hair care, make-up, fragrances, and personal hygiene products.
26. The wholesale distribution of beauty and personal care products involves the supply of such products from manufacturers, brand owners, or authorised importers to downstream retailers and professional customers, including supermarkets, pharmacies, cosmetic stores, salons, wholesalers, and other institutional customers.



The Panel noted that wholesale distributors operate as intermediaries between manufacturers and retail or professional channels and commonly distribute multiple categories of beauty and personal care products through integrated supply chains. The Panel observed that the parties were active at the wholesale level of the supply chain, supplying beauty and personal care products to professional customers within the healthcare and retail sectors.

27. While acknowledging that narrower distinctions may arise between different beauty and personal care product categories, the Panel considered that, for purposes of the present transaction, it was appropriate to define the relevant product market broadly as the **wholesale distribution of beauty and personal care products**, as no competition concern arise under any narrower segmentation given the limited market shares of the parties, in line with decisional practice at the Commission.<sup>6</sup>

Wholesale distribution of baby food products

28. The Panel noted that baby food products comprise of a range of foodstuffs specifically formulated for infants and young children, including infant milk formula, follow-on formula, and complementary or weaning foods. These products are distinct from general food products due to their specialised nutritional composition, strict regulatory requirements, and their intended use for specific stages of infant development.<sup>7</sup>
29. The Panel further noted that the wholesale distribution of baby food products involves the procurement of such products from manufacturers or authorised importers and their supply to downstream customers, including pharmacies, supermarkets, wholesalers, and other buyers. Wholesale distributors act as intermediaries within the supply chain, ensuring availability and compliance with applicable regulatory standards.
30. Within this broader baby food market, the Panel noted the parties' submissions that the Target Assets distribute a range of baby food products, while the Acquiring Group is active only in the supply of infant milk formula within the Common Market. On this basis, the Panel observed that the overlap between the Parties was limited to infant milk formula. The Panel noted the parties' further submissions that in line with this, a specific relevant market may be identified within the baby food market for the distribution of infant milk formula, given its distinct characteristics and regulatory treatment. In view of the Parties' activities and the Panel's decisional practice<sup>8</sup>, the Panel's competitive assessment has therefore been conducted at this narrower level.

<sup>6</sup> Decision of the 117<sup>th</sup> Meeting of the CID regarding the Proposed Acquisition by CFAO Healthcare of 69.9% of the issued share capital of Africa Chemist & Beauty Care Inc., Case File No. CCC/MER/01/01/2025

<sup>7</sup> <https://www.coherentmarketinsights.com/market-insight/baby-food-market-1043>, accessed by 10 June 2026

<sup>8</sup> Decision of the 53<sup>rd</sup> Meeting of the CID regarding the Proposed Acquisition by BSA International S.A. of Aspen Pharmacare Holdings Limited, Case File No. CCC/MER/11/39/2018.



31. The Panel noted that infant milk formula constituted a distinct segment within the broader baby food category. It is specifically formulated to serve as a substitute for breast milk for infants within defined age brackets, typically covering the earliest stages of infant nutrition. The Panel noted that infant milk formula is not substitutable with other baby food products, such as follow-on formula or complementary foods, as these products are designed for different developmental stages and nutritional needs. Infant milk formula is also subject to stringent compositional, safety, and labelling requirements, reflecting its critical role in infant nutrition and the heightened regulatory scrutiny applied to its production and distribution.
32. The Panel observed that the wholesale distribution of infant milk formula involved the procurement of such products from manufacturers or authorised importers and their supply to downstream customers, including pharmacies, hospitals, clinics, supermarkets, wholesalers, and other retail or institutional buyers. Distribution typically occurs through regulated and controlled supply chains, with wholesalers acting as key intermediaries ensuring product availability, integrity, and compliance with applicable regulatory standards.
33. In light of the above and considering the Parties' overlapping activities in the distribution of infant milk formula, the Panel considered it appropriate, for purposes of the present transaction, to define the relevant product market as **the wholesale distribution of infant milk formula**.
34. Based on the foregoing assessment, and without prejudice to the Panel's approach to similar cases in future, the relevant product markets were construed as:
  - a) **the wholesale distribution of pharmaceutical products and related healthcare products;**
  - b) **the wholesale distribution of beauty and personal care products; and**
  - c) **the wholesale distribution of infant milk formula.**

*Relevant Geographic Market*

35. The Panel 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**".



36. The Panel observed that in a previous decisional practice,<sup>9</sup> the Commission considered the geographic markets for the wholesale distribution of pharmaceutical products and beauty and personal care products to be global in scope. Wholesale distributors are not typically constrained in their ability to source products from multiple international markets, including outside the Common Market which is indicative of a likely global market. Further, major distributors in these sectors operate as multinational entities with extensive global supply chains and source products from a wide range of international manufacturers. This notwithstanding, the Panel noted that licensing, registration, and importation requirements differ across jurisdictions such that distributors must comply with national regulatory requirements to operate within specific jurisdictions.
37. Similarly, the Panel observed that the relevant geographical market for the wholesale distribution of infant milk formula is subject to national regulatory controls relating to registration, labelling, and importation notwithstanding the possibility and ability of distributors to source the products from the global market. The Panel noted that the wholesale supply chains for infant milk formula are often integrated across multiple jurisdictions, with manufacturers appointing distributors that operate regionally or globally. However, distribution of infant milk formula must comply with national regulatory frameworks, and competitive conditions are likely to vary across jurisdictions.
38. The Panel considered that the identification of a definite geographic market was not likely to impede the competitive assessment of the transaction given that proposed transaction is not likely to significantly alter the market structure particularly in Madagascar, Comoros and Mauritius, the only Member States where the parties have a horizontal overlap. Therefore, for purposes of conducting a competitive assessment of the proposed transaction, the Panel left the relevant markets open.

*Conclusion on Relevant Markets*

39. Based on the foregoing assessment, and without prejudice to the Panel's approach in similar future cases, the following relevant markets, whose geographic scope was left open, were identified:
- a) the wholesale distribution of pharmaceutical products and related healthcare products;**
  - b) the wholesale distribution of beauty and personal care products; and**
  - c) the wholesale distribution of infant milk formula.**

<sup>9</sup> Decision of the 117<sup>th</sup> Meeting of the CID regarding the Proposed Acquisition by CFAO Healthcare of 69.9% of the issued share capital of Africa Chemist & Beauty Care Inc., Case File No. CCC/MER/01/01/2025; Decision of the 78<sup>th</sup> Meeting of the CID regarding the Proposed Merger Involving Ultra Welfare Ltd and Amoun Pharmaceutical Company S.A.E. Case File No. CCC/MER/03/11/2021 and Decision of the Eighty-First (81<sup>st</sup>) Committee Responsible for Initial Determination Regarding the Proposed Merger involving DAWAA'A Restricted Ltd and Pharma Strategy Partners GmbH, Case File No. CCC/MER/12/31/2021.



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

### Market Shares and Concentration

40. The Panel noted the parties’ submission that the estimated market share for the wholesale distribution of pharmaceutical and related healthcare products in the Member States where their activities overlap, i.e., Madagascar, Mauritius, and Comoros as set out Table 1 below.

**Table 1: Estimated Market Shares for the wholesale distribution of pharmaceutical and related healthcare products**

Entity	Estimated Market Share (%)		
	2023	2024	2025
<b>Madagascar</b>			
<b>Acquiring Group (through Laborex Madagascar (formerly Somaphar) and E.P.DIS)<sup>10</sup></b>	<b>10 – 20</b>	<b>10 – 20</b>	<b>5 - 10</b>
<b>Opham SA</b>	<b>10 – 20</b>	<b>10 – 20</b>	<b>10 – 20</b>
UBIPHARM Madagascar	5 - 10	5 - 10	5 - 10
SALAMA	0 - 5	0 - 5	0 - 5
COFARMA	0 - 5	0 - 5	0 - 5
INTERPHARMA	0 - 5	0 - 5	0 - 5
MEDICO	0 - 5	0 - 5	0 - 5
<b>Mauritius</b>			
IBL Healthcare Ltd	20 - 30	20 - 30	20 - 30
Scott Health (Ex COPHARMA)	20 - 30	20 - 30	20 - 30
Pharmacie Nouvelle	10 - 20	10 - 20	10 - 20
Unicorn (MSJ LTD)	10 - 20	10 - 20	10 - 20
Hyperpharm	10 - 20	10 - 20	10 - 20
<b>Acquiring Group (through E.P.DIS)</b>	<b>0 - 5</b>	<b>0 - 5</b>	<b>0 - 5</b>

<sup>10</sup> Calculated by summing up the market shares provided by the Parties for Laborex Madagascar (former Somaphar) and E.P.DIS, a French company that operates a small portion of its activity in Madagascar.



<b>Iopharma Co Ltd<sup>11</sup></b>	<b>0 - 5</b>	<b>0 - 5</b>	<b>0 - 5</b>
<b>Comoros</b>			
<b>Opham SA</b>	<b>5 - 10</b>	<b>5 - 10</b>	<b>0 - 5</b>
<b>Acquiring Group (through EPDIS)</b>	<b>0 - 5</b>	<b>0 - 5</b>	<b>0 - 5</b>
Ocopharma	Not available	Not available	Not available

41. The Panel noted from Table 1 above that the merged entity would hold approximately [20-30%] of the market in Madagascar, going by parties' market shares in 2025. In Comoros, the combined share would be approximately [0-5%], while in Mauritius, the combined share would be approximately [0-5%].
42. The Panel observed that the transaction resulted in a limited increment in market concentration. In Madagascar, the merged entity would continue to face competition from several established players, including UbiPharm Madagascar [5-10%], Salama [0-5%], and Cofarma and Interpharma ([0- 5%] each). The Panel noted that this was indicative of the continued presence of effective competitive constraints.
43. The Panel further observed that in Comoros and Mauritius, the parties' combined presence remained minimal and was not capable of materially altering the structure of competition.
44. The Panel further noted that the market for the wholesale distribution of pharmaceutical and related healthcare products is characterised by the presence of numerous international manufacturers and suppliers active within the Common Market. These include Novartis, Pfizer, GSK, Johnson & Johnson, Sanofi, AstraZeneca, Bayer, Abbott, Boehringer Ingelheim, Merck & Co., Roche, Cipla, and Sandoz. The Panel also notes the presence of several generic pharmaceutical suppliers from India and Pakistan.
45. The Panel noted that generic medicines impose effective competitive constraints on branded medication and vice versa. The Panel took the view that this market also remained dynamic, with new generic and branded products continually being introduced in the Common Market by multiple suppliers.
46. In light of the foregoing, the Panel considered that the transaction was unlikely to result in a substantial lessening of competition in the market for the wholesale distribution of pharmaceutical and related healthcare products.

<sup>11</sup> The parties submitted that Iopharma Co Ltd started to operate in 2025.



47. In relation to the wholesale distribution of beauty and personal care products, the Panel noted the parties' submissions regarding the estimated market shares in Madagascar where their activities overlap as set out in Table 2 below.

**Table 2: Estimated Market Shares for the wholesale distribution of beauty and personal care products in Madagascar**

Entity	Estimated Market Share (%)		
	2023	2024	2025
Habibo	30 - 40	30 - 40	30 - 40
Carrefour	20 - 30	20 - 30	20 - 30
SICMA	10 - 20	10 - 20	10 - 20
France Cosmetique	5 - 10	5 - 10	5 - 10
Netter	0 - 5	0 - 5	0 - 5
<b>Opharm SA</b>	<b>0 - 5</b>	<b>0 - 5</b>	<b>0 - 5</b>
<b>Acquiring Group (through Laborex Madagascar (former Somaphar))</b>	<b>0 - 5</b>	<b>0 - 5</b>	<b>0 - 5</b>

48. The Panel observed that the parties' post-transaction market shares, as set out in Table 2, indicated that in Madagascar, the merged entity would hold approximately [0-5%] of the market. The Panel took the view that this represented a marginal market share accretion of [0-5] percentage points. On this basis, the Panel considered that the transaction resulted in a negligible increment in market concentration, with the merged entity remaining a small fringe player in a market dominated by Habibo [30-40%], Carrefour [20-30%], and SICMA [10-20%]. The Panel considered that the parties' combined presence was not sufficient to materially alter the competitive structure of the market.
49. Accordingly, the Panel considered that the transaction was unlikely to result in a substantial lessening of competition in the market for the wholesale distribution of beauty and personal care products.
50. Regarding the market for wholesale distribution of infant milk formula, the Panel considered the parties' submissions on the estimated market shares in Madagascar, where their activities overlap as set out in Table 3 below.



**Table 3: Estimated Market Shares for the wholesale distribution of infant milk formula in Madagascar**

Entity	Estimated Market Share (%)		
	2023	2024	2025
<b>Opharm SA</b>	<b>20 - 30</b>	<b>20 - 30</b>	<b>20 - 30</b>
Interpharma	10 - 20	10 - 20	10 - 20
Soredim	5 - 10	5 - 10	5 - 10
Netter	5 - 10	5 - 10	5 - 10
Hygea Brita (groupe ALTHEA)	0 - 5	0 - 5	0 - 5
Socolait	0 - 5	0 - 5	0 - 5
<b>Acquiring Group (through Laborex Madagascar (former Somaphar))</b>	<b>0 - 5</b>	<b>0 - 5</b>	<b>0 - 5</b>

51. The Panel noted from Table 3 above that post-transaction, the merged entity would hold approximately [20-30%] of the market in Madagascar, giving rise to a marginal market share accretion of [0-5] percentage points. On this basis, the Panel took the view that the transaction will result in a minimal market share accretion, with the increase arising solely from the Acquiring Group's limited presence. The Panel observed that the market structure remained largely unchanged, with the Target Assets continuing to operate as a significant player alongside established competitors such as Interpharma [10-20%], Soredim and Netter ([5-10]% each), and other smaller suppliers.
52. The Panel observed that the market is characterised by regulated product standards, branded supplier competition, and distribution through established supply chains, which constrain competitive interaction and limit the ability of any single distributor to exercise market power. Given the negligible increment and the presence of alternative suppliers, the Panel considered that the transaction did not materially alter the structure of competition.
53. Accordingly, the Panel considered that the transaction was unlikely to result in a substantial lessening of competition in the market for the wholesale distribution of infant milk formula.

### **Determination**

54. The Panel was satisfied that pursuant to Regulation 47, the merger was not likely to substantially prevent competition in the Common Market or a substantial part of it, nor would it significantly affect public interest.



55. The Panel, therefore, approved the merger pursuant to Regulation 48 of the Regulations.

Dated this 10<sup>th</sup> day of June 2026

**Commissioner Mahmoud Momtaz (Chairperson)**

**Commissioner Lloyds Vincent Nkhoma Commissioner Luyamba Kizito Mpamba**

