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**Common Market for Eastern
and Southern Africa**

Case File No. CCC/MER/06/22/2025

**Decision¹ of the 123rd Meeting of the Committee Responsible
for Initial Determinations Regarding the Proposed Merger
between Sokowatch Inc and MAXAB B.V.**

ECONOMIC SECTOR: E-commerce

5 December 2025



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 Where possible, the information omitted has been replaced by ranges of figures or a general description.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 17 September 2025, the COMESA Competition Commission (the "**Commission**") received a notification for the approval of a merger involving the Proposed Merger between MAXAB B.V. ("**MaxAB**" of the "**Acquiring Firm**") and Sokowatch Inc ("**Sokowatch**" or the "**Target Firm**"), 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

MaxAB (the "Acquiring Firm")

4. MaxAB is a private company with limited liability incorporated under the laws of the Netherlands.
5. MaxAB operates in the Common Market, in Egypt only, through the following entities:
 - i. MaxPay;
 - ii. MaxAB for E-commerce;
 - iii. Shams El Kheir; and
 - iv. MaxAB logistics.
6. The core business of MaxAB is the provision of a B2B e-commerce marketplace that enables small informal retailers to digitally order and restock goods in their shops.

Sokowatch (the "Target Firm")

7. The Target Firm is a company incorporated under the laws of Delaware, United States.
8. Sokowatch owns and operates a Business to Business (B2B) e-commerce marketplace that enables small informal retailers to digitally order and restock goods in their shops. Sokowatch provides small informal retailers access to suppliers like Procter and Gamble, Unilever, Nestle and other primary local manufacturers and suppliers.
9. A retailer can access goods through the "Wasoko" platform, an app owned by Sokowatch, where the retailer can place orders for products from various fast moving consumer goods ("FMCGs") companies, local manufacturers, or suppliers. The business model is thus centered on providing a platform for small informal FMCG retailers to access to a diverse pool of local manufacturers and suppliers.
10. Sokowatch operates through its subsidiaries in Kenya, Rwanda and Tanzania. The CID noted the parties' submissions that Sokowatch had operations in Uganda and Zambia in 2023, but these entities were dissolved in 2024.
11. In Kenya, Sokowatch operates as Sokowatch Kenya Ltd and in Rwanda, Sokowatch operates as Sokowatch Rwanda Ltd.



Jurisdiction of the Commission

12. 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".*
13. 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

14. The notified transaction concerns the acquisition by Sokowatch of fifty-five percent (55%) shareholding in MaxAB which will in turn acquire one hundred percent (100%) of Sokowatch. Sokowatch will then be amalgamated into MaxAB with MaxAB as the surviving entity.

Competition Analysis

Consideration of the Relevant Markets

15. 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.



Relevant Product Market

16. The CID noted that in the Common Market, both merging parties provide business-to-business e-commerce platforms, through a mobile application for the supply of FMCGs.
17. In line with Paragraph 8.4 of the COMESA Merger Assessment Guidelines, considering that this transaction is a horizontal merger, the CID's assessment focused on the overlap between the product and geographic relations of the parties.
18. The CID noted that an e-commerce platform is an intermediary which allows customers to search for, compare and purchase products from multiple independent sellers. Once the purchase decision has been made, the platform also allows the customer to choose a payment option to finalise the transaction, as well as choose ancillary services, including the mode of delivery.
19. The CID observed that the platform has two sets of users with two distinct usages. Considering the intended use of the platform by each customer set, the substitutes available to each set of the customers differ. For instance, a supplier of FMCGs may choose to have its own dedicated website allowing for online sales, instead of using the platform. Buyers from the platform may choose brick and mortar options. Additionally, the transaction costs, the services and the terms and conditions differ for each set of the user of the platform.
20. For these reasons, the CID's assessment of the relevant market *in casu* considered these two sides of this platform.

The seller side

21. A seller listed on the e-commerce platform has potentially the following options to sell his goods:
 - i. sell through brick and mortar shops;
 - ii. sell through its own website;
 - iii. sell through online marketplaces; and
 - iv. sell on social media platforms.
22. On the possibility of substitution from brick and mortar shops and the e-commerce platforms, the CID noted that the sellers listed on the e-commerce platform on the merging parties are a mix of local manufacturers and multinational manufacturers and suppliers of FMCGs. The CID also noted that local manufacturers and multinational manufacturers may have the possibility of selling their goods at the wholesale level to retailers. The CID further noted that this indeed happens in Member States where international manufacturers, including Johnson & Johnson,



Nestlé, Unilever and Mondelez International Inc., despite having no physical presence in one Member State, appoint authorised distributors in Member States for distribution of their products.

23. The CID, however, noted that the investment and operational costs of brick and mortar as opposed to selling on a platform are fundamentally different. For instance, to have its own distribution network require significant costs of investment into the physical outlet and routine costs such as distribution fees, rent and electricity. Additionally, a physical outlet also requires the necessary trade and environmental permits. Listing on an online platform is fairly easy and the main costs are mainly the listing fees with no other significant costs. The geographic reach of customers on online platforms is also wider as compared to brick and mortar shops. The CID observed that in the current case, the customers of the platforms include retailers located in remote areas of the Member States where the parties operate. This therefore limits access to this customer base from brick and mortar shops. For these reasons, the CID concluded that the brick and mortar shops are different from the online platform.
24. The CID observed that a supplier's own website will represent effective competition constraint to the platform only to the extent that the supplier can reach the same customer base on his own website. However, the CID was of the view that retailers in most instances prefer to shop from a platform which gives them access to several sellers and a wider range of products, which can be ordered in one go and the delivery charges be computed only once irrespective of the number of sellers. Considering the customer base that the platform serves, which lack sophistication and are remote, the CID noted that it was unlikely that the seller's own website will be an effective constraint to the platform.
25. A supplier may choose to sell on other marketplaces such as Amazon, Jumia, Mybigorder but the Commission observes that such marketplaces cater for retail distribution rather than wholesale distribution, that is, the other online marketplaces sell products directly to end consumers. Wholesale options are limited on other marketplaces. Considering that the merging parties provide an e-commerce platform whose customers are retailers only, the CID was of the view that the e-commerce platform provided by the merging parties are not substitutable with other online marketplaces in view of their intended use and characteristics.
26. Similar to other marketplaces, a seller has limited options to sell its products at a wholesale level to retailers. Furthermore, the payment structure, costs and reachability to customers are difference on social media platforms as compared to online platforms.
27. Based on the above, the CID therefore concluded that the provision of the e-commerce platform to wholesale suppliers of FMCGs is distinct from the other possible modes of supply.



The buyer side

28. From the buyer side, which are retailers in this transaction, the CID observed that buyers also have the same four options to purchase their goods:
- i. purchase from brick and mortar shops;
 - ii. purchase from supplier's own website;
 - iii. purchase from online marketplaces; and
 - iv. purchase from social media platforms.
29. Considering the nature of the customers that the merging parties serve, which include underserved mom-and-pop stores, and kiosks, that mostly function in the informal sector, the CID was of the view that, from a demand perspective, the e-commerce platform of the merging parties can be distinguished from the other modes of purchase.
30. The CID observed that purchases through brick and mortar shops may not be accessible to all the retailers. Such an option may be available only to those retailers living in the towns and in the vicinities of where the brick and mortar shops are located. For retailers in remote areas, they will incur transportation costs to reach the brick and mortar shop and other transportation costs for the goods to reach their shops, which transport means they will in most instances have to find themselves. These shops being small in size with limited storage space, will require frequent visits to brick and mortar shops for restocking and these represents additional costs on the retailers. On the contrary, purchase through the online platform requires only access to internet and the delivery is handed by the platform operator, thus easing transactions costs. Further, not all suppliers have their own dedicated websites in Member States to allow for direct orders.
31. The CID also observed that purchasing from outside the territory might not be an option as the retailer would have incur shipping costs to their account in instances where delivery is provided as an additional service on the suppliers' website. In instances where delivery is not provided on the supplier's website or shipping is restricted, the retailer would have to find their own means of shipping, incurring additional costs, which may also include other charges such as payment of import duties and services of professional freight forwarders or other logistics providers. These additional costs and inconvenience could make online purchase different from the purchase from the platform of the merging parties. Similarly, not all suppliers may be listed on other marketplaces or may be selling on social media.
32. Considering that the buyers on the platform are retailers, the CID was of the view that the relevant level of the market for purposes of this transaction is the wholesale level.



33. In view of the above, the CID deemed the relevant product markets as **the market for the provision of**
- i. **the e-commerce platform to third-party sellers for the wholesale supply of FMCGs; and**
 - ii. **e-commerce services to retailers for the wholesale purchase of FMCGs.**

Relevant Geographic Market

34. While the CID noted that technology allows the geographic scope of e-commerce platforms to be beyond a specific territory, it observed that the e-commerce platforms of the merging parties serve customers located in one specific Member State. For instance, the e-commerce platform of MaxAb serves customers in Egypt whereas that of Sokowatch serves customers in Kenya and Rwanda, respectively. Additionally, the CID further observed that there are likely to be language differences across the e-platforms provided by the merging parties which mainly target informal traders in the respectively Member States. In addition, the CID observed that the e-platforms' business models incorporate timely delivery of goods that retailers order, that is same day delivery at a client's doorstep.² The environment that supports achievement of such standards is bound to differ from Country to Country. For these reasons, the CID was of the view that the relevant geographic market is likely to be national, that is each Member State in which the merging parties operate, namely, Egypt, Kenya and Rwanda.

Conclusion on Relevant Markets

35. Based on the foregoing assessment, and without prejudice to its approach in similar future cases, the CID identified the relevant market as the **markets for the provision of**
- i. **the e-commerce platform to third-party sellers for the wholesale supply of FMCGs in Egypt, Kenya and Rwanda; and**
 - ii. **e-commerce services to retailers for the wholesale purchase of FMCGs in Egypt, Kenya and Rwanda.**

Consideration of Substantial Lessening of Competition or "Effect" Test Market Shares and Concentration

36. The CID noted the parties' submissions that they do not have formal information on their respective market shares and those of their competitors. The parties highlighted that they operate in a very fragmented business, focusing on

² https://wasoko.com/our_story/



underserved mom-and-pop stores, kiosks and other similar trades, that mostly function in the informal sector.

37. Despite the difficulty to estimate their own market shares and those of their immediate competitors, the parties, however, estimated that no one player holds more than 1% market shares, including the parties themselves.
38. The CID noted the nature of the business of the parties, such as serving retailers mostly in the informal sector. For this reason, the CID was persuaded that it is unlikely that there will be a central repository of information of the players operating in this sector. The number of retail customers of such platforms are likely to vary significantly from month to month, given their informal nature. The CID however noted from public sources that in Kenya, there are a number of online platforms which supply FMCGs at the wholesale level. These include Onestop Wholesalers, Mega Wholesalers Ltd, Mahitaji – Distributors and Wholesalers of Consumer Goods, Twiga, Criss Cross Ltd and Bidco Africa.
39. The CID further noted that similarly, there are a number of online platforms which supply FMCGs at the wholesale level in Egypt. These include Gomla FMCG Wholesaler, Azka Foods, Egypt Online Wholesale, Cartona, United Distributors and Freshdi.
40. The CID observed that in Rwanda, the following online platforms supply FMCGs at the wholesale level: Prodi Ltd and Murukali.com.
41. Despite the absence of the exact market share figures in the respective Member States, the CID concluded that the nature of the business of the merging parties is unlikely to confer any dominance on any of them as there are many competitors providing a similar service in the Member States where the parties operate. The nature of the business presents low switching costs to the users of the platforms and also coupled with the fact that customers may be multi-homing, the competitor platforms represent competitive constraints to the merging parties.
42. The CID considered the likely barriers to entry in the relevant markets and was of the view that the main barriers to entry were sunk costs, the costs of advertising to gain customer trust, network externalities and economies of scale to reduce operational costs. However, the CID considered that the transaction would not heighten any barriers to entry in the relevant markets given the fact that the market structure would not change.
43. The CID considered unilateral effects of the transaction and was of the view that these were equally unlikely because there is no overlap in the activities of the merging parties. The proposed merger would therefore not result in the creation of a dominant position for the merged entity that would allow them to engage in unilateral conduct in the market.



44. The CID also noted that since the transaction would not result in any change in the relevant market structure in either Egypt, Kenya or Rwanda, there would be no change in conditions of competition in the relevant markets as such coordinated effects were also unlikely.

Determination

45. 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.
46. This decision is adopted in accordance with Article 26 of the Regulations.

Dated this 5th day of December 2025

Commissioner Mahmoud Momtaz (Chairperson)

Commissioner Lloyds Vincent Nkhoma

Commissioner Vipin Naugah

