Advancing Regional Integration through Competitive Markets and Empowered Consumers

Case File No. CCCC/MER/07/31/2026

Decision[1] of the 13th Meeting of the Panel Responsible for Determinations Regarding the Proposed Merger involving the Acquisition by Ravago S.A. of [redacted] % of the issued ordinary shareholding of TDCH Investment Holdings Proprietary Limited and [redacted]% of the issued ordinary shareholding of Truesouth Pty

ECONOMIC SECTOR: Industrial Chemicals and Food Ingredients Distribution

COMPETITION AND CONSUMER COMMISSION
16 OCT 2026

16 October 2026

[1] 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 was/is 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, 2025 (the "**Regulations**");

Desirous of the overriding 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 Chapter 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 liberalisation and economic efficiency in the COMESA Member States;

Considering that the continued growth in regionalisation 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 6 August 2026, the COMESA Competition and Consumer Commission (the "**Commission**") received a notification regarding the proposed merger involving the acquisition by Ravago S.A ("**Ravago**" or the "**Acquiring Firm**") of [redacted]% of the issued ordinary shareholding of TDCH Investment Holdings Proprietary Limited ("**TDCH**", or the "**Target Firm 1**") and [redacted]% of the issued ordinary shareholding of Truesouth Pty ("**Truesouth**", or the "**Target Firm 2**"), 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

Ravago (the "Acquiring Firm")

3. Ravago, is a *société anonyme* incorporated under the laws of Luxembourg. Ravago is active in the production and distribution of plastics, rubber as well as in the distribution of chemicals.

COMESA COMPETITION AND CONSUMER COMMISSION
16 OCT 2026

4. In the Common Market, the Acquiring Firm operates in Burundi, the Democratic Republic of Congo, Djibouti, Egypt, Eswatini, Ethiopia, Kenya, Libya, Madagascar, Malawi, Mauritius, Rwanda, Seychelles, Somalia, Sudan, Tunisia, Uganda, Zambia, and Zimbabwe.

TDCH (the "Target Firm 1")

5. TDCH is a limited liability company incorporated and existing under the laws of South Africa. TDCH is an investment holding company that does not conduct any operational activities. Its principal business activities are carried out through its subsidiary, Technology Driven Concepts (Pty) Ltd ("**TDC**"). TDC is active in the manufacturing and distribution of food ingredients and exports its stabilizer products from its manufacturing sites in South Africa to the rest of Africa (including Malawi, Mauritius, Zambia and Zimbabwe), where these ingredients are received by customers and processed to final products.

6. In the Common Market, TDCH operates in Malawi, Mauritius, Zambia and Zimbabwe.

Truesouth (the "Target Firm 2")

7. Truesouth is a limited liability company incorporated and existing under the laws of South Africa. Truesouth is active in the distribution of food and beverage ingredients and exports into Zimbabwe.

8. In the Common Market, Truesouth operates only in Zimbabwe.

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.

COMESA COMPETITION AND CONSUMER COMMISSION
16 OCT 2026

10. The undertakings concerned have operations in two or more Member States. The undertakings concerned derived turnover of more than the threshold of USD60 million in the Common Market and they each derived turnover of more than USD10 million in the Common Market. In addition, the parties did not derive/hold more than two-thirds of their respective turnover or asset value in one and the same Member State. The Panel was thus satisfied that the transaction constituted 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 acquisition by Ravago S.A of [redacted]% of the issued ordinary shareholding of TDCH, and [redacted] % of the issued ordinary shareholding of Truesouth.

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, the Commission's decisional practice and where relevant, other authorities on the subject.

13. The Panel noted the parties' submission that the Acquiring Firm, Ravago, is active in the distribution of chemicals and supply of plastic polymers in the Common Market. The Panel also noted that Vidara, part of the Ravago Group, distributes speciality chemicals for the human nutrition industry.

14. The Panel noted that the Target Firm 1, TDCH, is active in the manufacture and distribution of food ingredients and exports from its blending plant in South Africa principally to Malawi, Mauritius, Zambia and Zimbabwe. The Panel further noted that the Target Firm 2, Truesouth, is active in the distribution of food and beverage ingredients and exports to Zimbabwe.

15. The Panel observed that the Target Firms do not procure specialty chemicals from the Acquiring Firm as inputs for the production or formulation of food ingredients. The Panel further observed that there was no horizontal or vertical overlap in the activities of the merging parties in the Common Market, pertaining to distribution of food ingredients since the Acquiring Firm was not active in this market. The Panel therefore focused its relevant market definition on the products supplied by the Target Firms.

Distribution of food ingredients or additives

16. The Panel noted that food ingredients or additives are substances which are commonly used in industrial food and beverages production. While they are not in themselves an ingredient in the manufacturing process, they are added in small

COMPETITION AND CONSUMER COMMISSION
16 OCT 2026

quantities to foods or beverages to improve the product's shelf life, safety, taste, texture, appearance, nutritional value or processing performance[2].

17. Food additives therefore include preservatives, sweeteners, emulsifiers, stabilizers, colorants, flavor enhancers, enzymes, acidulants and antioxidants.

18. The Panel also noted that food additives can be categorized according to either source or type. Food additives can be natural or synthetic. Natural food additives are usually derived from plants, animals or minerals. Synthetic food additives are chemically synthesized.[7] Natural food additives are obtained through natural processes, including natural fermentation and natural cultures and are commonly perceived to be 'clean' and healthier alternatives. Such additives are usually added to industrially produced food or beverages which require minimal processing. Synthetic food additives on the other hand, are produced through industrial chemical processes. The composition of synthetic food additives is different from natural food additives. As compared to natural food additives, chemical food additives are heavily regulated to ensure their safety when used in food and beverages intended for human consumption. Further, chemical food additives are also more cost effective than natural food additives.

19. The Panel noted that, in its past decisional practice[3], the Committee Responsible for Initial Determinations (the "**CID**") established that there is a growing demand for minimally processed food and to this end, natural food additives are preferred. While the intended use of natural and synthetic food additives was considered to be the same, the CID noted that their characteristics and prices make them distinct from the demand side perspective. The CID[4] further observed that food additives could also be segmented according to their type. The CID noted that the World Health Organization recognizes three categories of food additives, according to their function as follows:[8]

    a) Flavouring agents;

    b) Enzyme preparations; and

    c) Other additives.

20. The Panel observed that flavouring agents are added to food products to enhance or alter their taste and aroma.[5] Flavouring agents can be natural, such as fruit extracts, vanilla essence, essential oil or animal extracts. Artificial flavourings, by contrast, consist of synthesized substances that do not naturally occur but are designed to reproduce tastes or aromas.

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[2] Decision of the 128th Meeting of the CID regarding the Proposed Acquisition by Amethis MENA Fund II S.C.A. SICAV-RAIF of Tiba Starch and Glucose Industry S.A.E.

[3] *Ibid*

[4] *Ibid*

[5] *Ibid*

EGYPTIAN COMPETITION AND CONSUMER PROTECTION COMMISSION
16 OCT 2026

21. The Panel further observed that enzyme preparations are proteins used to accelerate biochemical reactions which are used in food and beverage preparation to convert complex molecules into simpler components. In the food industry, enzymes are widely applied in baking to enhance dough quality, in fruit juice production to improve extraction yields, in brewing and winemaking to support fermentation processes and in cheese production to facilitate curd formation.

22. Other food additives are added when the food or beverage is prepared, packaged, transported, or stored. They integrate into the food or beverage to become a component of the food. Other food additives include stabilisers, preservatives, sweeteners, texture enhancers and colouring agents.

23. Stabilisers are food additives that help preserve the physical and chemical state of a food product. Stabilizers contribute to product quality and consistency by preventing separation of ingredients and maintaining the desired texture. Most stabilisers are hydrocolloid substances that form gels when combined with water. They interact with water molecules to control viscosity and mouthfeel. Although stabilisers belong to the same family of food additives as emulsifiers, thickeners and preservatives, they have distinct roles.[6]

24. In its past decisional practice[7], the CID acknowledged that the food additives market may warrant further segmentation by type or source, as they are typically not substitutable from a demand-side perspective due to their specific physical properties, industrial applications and pricing mechanisms.

25. However, for the purposes of the present transaction, the Panel held the view that the precise delineation of the relevant product market for the distribution of food additives could be left open, including whether narrower markets should be defined by source or food additive types, as the transaction does not give rise to any horizontal overlaps in any market and the exact definition will not materially affect the competitive assessment.

26. Based on the foregoing assessment, and without prejudice to the Panel's approach in similar future cases, the Panel construed the relevant product market as **the distribution of food additives.**

Relevant Geographic Market

27. The Panel noted that the COMESA Guidelines on Market Definition define the relevant geographic market as comprising "***...the area in which the undertakings concerned are involved in the supply and demand of products or services, in***

[6] What Are Food Stabilizers? Uses, Types & Benefits Explained, https://sunitahydrocolloids.com/blog/what-are-food-stabilizers-their-uses-guide/ , accessed on 16 October 2026

[7] Decision of the 128th Meeting of the CID regarding the Proposed Acquisition by Amethis MENA Fund II S.C.A; SICAV-RAIF of Tiba Starch and Glucose Industry S.A.E

COMPETITION AND CONSUMER COMMISSION
16 OCT 2026

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".[8]

28. The Panel noted that the CID, in its past decisional practice[9] considered the geographic scope of the market for the supply of food additives to be global in nature, reflecting the extensive cross-border trade in food additives, low barriers to imports, and global demand and supply conditions. The CID also considered that although regional factors such as transport costs, import duties, and trade flows may influence commercial decisions these do not materially limit the ability of suppliers to compete globally. Accordingly, the relevant geographic market for the supply of food additives was defined as global.

29. The Panel considered that, in line with the decisional practice of the CID, the relevant geographic market for the supply of food additives was global.

Conclusion on Relevant Market

30. Based on the foregoing assessment, and **without prejudice** to the Panel's approach in similar future cases, the relevant markets were identified as has been identified as **the global market for the distribution of food additives**.

Consideration of Substantial Lessening of Competition or "Effect" Test

Market Shares and Concentration

31. The Panel noted the parties' submission that TDCH's market share was in the range of [redacted] % and that of Truesouth was below [redacted] % in the defined relevant market. The Panel also noted that South Africa serves as a regional manufacturing and distribution hub of food ingredients for Southern Africa region supplying Zambia and Zimbabwe, amongst others.[10] The Panel considered that for Zambia and Zimbabwe, distribution of food ingredients was on an export basis and not likely to be constrained by local players.

32. The Panel considered that given the absence of overlap between the merging parties and the fact that the Target Firms have low market shares in the relevant market, the proposed merger was not likely to raise any competition or public interest concerns.

[8] Paragraph 8 of the COMESA Guidelines on Market Definition.
[9] Decision of the 128th Meeting of the CID regarding the Proposed Acquisition by Amethis MENA Fund II S.C.A, SICAV-RAIF of Tiba Starch and Glucose Industry S.A.E
[10] Food & Nutritional Ingredients Africa, https://www.foodingredientssouthafrica.com/Index, accessed on 16 October 2026

COMESA COMPETITION AND CONSUMER PROTECTION COMMISSION
16 OCT 2026

Determination

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

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

Dated this 16th day of October 2026

