



CAK DECISION ON PROPOSED ACQUISITION OF SOLE CONTROL OF PLATINUM PACKAGING LIMITED BY RAMCO PLEXUS LIMITED.

1. The Competition Authority of Kenya has approved the proposed acquisition of sole control of Platinum Packaging Limited by Ramco Plexus Limited unconditionally.
2. Ramco Plexus Limited (Ramco), the acquiring undertaking, is an investment holding company with subsidiaries involved in various activities such as digital printing and packaging, manufacture of polystyrene products, supply of paper and printing consumables, manufacturing garments, and embroidery works.
3. Platinum Packaging Limited, the target undertaking, is currently jointly controlled by Ramco and Carton Manufacturers Limited. Platinum Packaging offers various services and products relating to flexible packaging and labelling solutions.
4. The proposed transaction involves the acquisition of sole control of Platinum Packaging by Ramco Plexus, resulting in a change from joint control to sole control. The transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No. 12 of 2010.



5. The parties combined value of assets is over Ksh.1 Billion and therefore meets the thresholds for a full merger notification as provided for in the Merger Threshold Guidelines under the Competition (General) Rules, 2019.
6. The acquirer's subsidiaries are majorly involved in the provision of products and services in the printing and packaging market while the target supplies flexible packaging solutions in, among others, reels, pouches, digital labels and sleeves. For purposes of analyzing the transaction, the relevant product market was determined to be the market for flexible packaging and labelling. Noting that the target operates stores and service centers throughout the country, the relevant geographical market was determined as national.
7. The market for flexible packaging and labelling has many players with all of them controlling less than 10% of the market. Packaging Industries Limited, Statpack Industries Limited, Texplast Industries Limited and the target firm have the highest share of 7% each.
8. Imports also contribute to the flexible packaging market in Kenya. For instance, Kenya imported a total of \$ 6.9 million worth of flexible packaging film from India in the year to April 2021.
9. Whereas the acquirer has control of the target, the parties' market share will not change. Additionally, the merged entity will face competition for the other market players controlling 93% of the market as well as from imports and players.
10. Premised on the foregoing, it is the Authority's view that the proposed transaction is unlikely to substantially lessen or prevent competition in the flexible packaging market in Kenya.



11. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. The public interest concerns which the Authority considers include;
 - i. extent to which a proposed merger would impact employment opportunities;
 - ii. impact on competitiveness of small and medium enterprises (SMEs);
 - iii. impact on particular industries/sectors; and
 - iv. Impact on the ability of national industries to compete in international markets.

12. As per the parties' submissions, on public interest, this transaction is simply a change from joint to sole control. They submitted that they do not expect to change to their business structure of the target post-merger. Specifically, the acquirer stated that no loss of employment will arise as a result of the transaction. Therefore, it is the Authority's view that the transaction will not raise any public interest concerns.

13. **Based on the foregoing, the Authority approved the proposed acquisition of sole control of the Platinum Packaging Limited by Ramco Plexus Limited unconditionally.**