



## THE PROPOSED ACQUISITION OF SOLE CONTROL OF COAST CABLES LIMITED BY ATUL PREMCHAND SHAH.

1. The Competition Authority of Kenya has approved the acquisition of sole control of Coast Cables Limited by Atul Premchand Shah unconditionally, as part of restructuring a family-owned business.
2. Coast Cables Limited, the target undertaking, is a limited liability company incorporated in Kenya. The target is currently jointly controlled by the acquirer and other shareholders. Coast Cables manufactures and imports electric cables.
3. The transaction involves the acquisition of sole control of Coast Cables Limited by Atul Premchand Shah. The transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No. 12 of 2010.
4. The parties' combined and relevant revenue for the preceding year was **over Sh1 billion**. The transaction, therefore, met the threshold for mandatory notification and full merger analysis as provided in the **Competition (General) Rules, 2019**.
5. For purposes of analyzing this transaction, the **relevant product market was determined as the market for manufacture and importation of electric cables and wires**. The geographic market is **national** given that Coast Cables sells these products across the country.
6. Information available to the Authority indicates that the target's estimated market share is 14% of the relevant market of its products in Kenya. Other players in this sector are;



East Africa Cables Limited (32%), Metsec Cables Limited (21%), and Kenwest Cables Limited (7%).

7. Other cable manufacturers and dealers (through imports) include Cables and Connectors Ltd, Cables and Accessories Ltd, African Cables Ltd, Cable Connect Ltd, IMS Cables, Taifa Cables, and Ret reads and Balco Kenya Ltd. Imports constitute 26% of this market.
8. Since the proposed transaction involves the strategic restructuring of a family business, there will be no change in structure and shares in the market, post-transaction. Therefore, it is the Authority's view that the transaction is unlikely to lessen competition in the industry.
9. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. The public interest concerns considerations 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.
10. As per the parties' submissions, all fifty-four (54) of the target's employees shall be retained upon completion of the proposed transaction. Further, the parties have indicated that the proposed transaction will not directly or indirectly affect the ability of any SMEs to gain access to or compete in any market.



11. Premised on the foregoing, the Authority approved the proposed acquisition of sole control of Coast Cables Limited by Atul Premchand Shah unconditionally.