



CAK DECISION ON PROPOSED ACQUISITION OF CERTAIN ASSETS OF MATCH MASTERS LIMITED BY PWANI OIL PRODUCTS LIMITED

1. The Competition Authority of Kenya has approved the acquisition of certain assets of Match Masters Limited by Pwani Oil Products Limited unconditionally.
2. **Pwani Oil Products Limited (the Acquirer)** is a company incorporated in Kenya with four business segments in the manufacturing sector. They are;
 - (i) **Pwani Life Cooking** – manufactures cooking oil and fats under the following brands; Fresh Fri, Salit, Popco, Mpishi Poa, Fry Mate, and Sunfresh.
 - (ii) **Pwani Life Care** – manufactures bathing products including Diva, Sawa, Detrex, and Diva Pure Glycerine.
 - (iii) **Pwani Life Washing** – manufactures bar-soap products such as Ndume, Popco, Povu, and White-wash.
 - (iv) **Business-to-business products** –distributes Pwani Oil products to businesses, including hotels.
3. **Match Masters Limited (the Target)** is a company incorporated in Kenya involved in the manufacture of safety matches and repackaging of bulk washing powder under the brand Rainbow Washing Powder.



4. The proposed transaction involves acquisition of certain assets of Match Masters Limited, including plant and machinery, relating to the repackaging and distribution of the washing powder business, by Pwani Oil Products Limited. 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 and relevant turnover 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**.
6. Considering the merging parties' commercial activities, the relevant product market for the transaction was determined as the **market for the manufacture of laundry detergents**. The parties supply their products across the country and therefore the relevant geographic market is **national**.
7. In Kenya, a wide range of detergent products are used in domestic and industrial spaces and are sold through formal and informal outlets. Demand for these products has increased over the years occasioning increased investment in manufacturing companies. Demand was enhanced during the peak of the COVID-19 pandemic when personal hygiene was emphasized.
8. The competitive landscape of laundry care in Kenya remained fairly consolidated in 2021, with Unilever and local distributor Hasbah Kenya Limited (Procter & Gamble Co) dominating the market. International brands also enjoyed strong brand heritage and operated through well-elaborated distribution channels, thus enhancing product



visibility and availability.

9. Some of the main detergent manufacturing companies in Kenya currently are Bidco Africa Ltd, Spectra Chemicals Kenya Ltd, Jenicorp Industries, Orbit Chemicals Ltd, Diversfile Detergent, Soilex Prosolve Limited, Eris Industries, Mega Hygiene Systems Limited (Soap & Detergents), Elex Products Ltd, Neru Kenya Ltd, Chemicals & Detergents, B Smart Products Ltd, Kronex Chemicals Limited, Safisha – Sundries Bargains Nairobi Limited, Odex Chemicals Limited, Sopi Detergents Ltd, PZ Cussons, and Blue Ring Products Ltd.
10. Further, the main washing powder brands in Kenya include Persil (Henkel & Cie), Gental Washing Powder (Bidco Africa); Msafi (Bidco Africa); Power Boy and Star also from Bidco Africa; Sunlight (Unilever); Toss (Kapa Oil Refineries); Omo (Unilever); ARIEL (offered by Procter and Gamble Ltd), and Kleesoft (Sunda International).
11. Market share data collected by the Authority indicates that Procter and Gamble is the major player with a market share of 40% followed by Unilever with 20%. The market share of the target (Rainbow Detergent brand) is estimated at 1%.
12. During merger analysis, the Authority considers the impact that the proposed transaction will have on competition in the specific market/sector and whether it raises any public interest concerns. **Thereafter, the Authority may approve the transaction with conditions, approve it without conditions, or reject it.**
13. Post-merger, the market share of the merged entity will not change since the acquirer is not in similar business. Therefore, the structure and concentration of the market for detergents will not be affected. Based on the foregoing, the proposed transaction is unlikely



to lead to substantial lessening or prevention of competition in the market for manufacturing of laundry detergents in Kenya.

14. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. These 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.

15. With regard to public interest issues, the transaction was unlikely to lead to any negative public interest issues. Specifically, the transaction will not lead to loss of employment. The target's employees will be absorbed in the match-making business of the target.

16. Based on the foregoing, the Authority approved the acquisition of certain assets of Match Masters Limited by Pwani Oil Products Limited unconditionally.