



CAK DECISION ON THE PROPOSED ACQUISITION OF 75% OF THE ISSUED SHARE CAPITAL OF ACME CONTAINERS LIMITED BY ASCENT CAPITAL HOLDINGS AFRICA II LIMITED

1. The Competition Authority of Kenya has approved the acquisition of the issued share capital of Acme Containers Limited by Ascent Capital Holdings Africa II Limited unconditionally.
2. Ascent Capital Holdings Africa II Limited (Ascent), the acquiring undertaking, is incorporated as an investment holding company.
3. ACME Containers Limited (ACME), the target undertaking, is involved in the manufacture of plastic products such as plastic plates, sheet, blocks, film, foil, strips, among others.
4. The proposed transaction involves the acquisition of 75% of the issued share capital of Acme Containers Limited by Ascent Capital Africa II 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 assets for the preceding year was **over Ksh. 1 billion**. The transaction, therefore, met the threshold for mandatory notification and full merger analysis as provided for in the **Competition (General) Rules, 2019**.
6. During analysis of the proposed transaction, it was noted that there are no overlaps between the parties' activities. Therefore, for purposes of analyzing the transaction



the, product market was determined as the **market for plastic products**. The parties distribute their products across the country and therefore the relevant geographic market was determined as **national**.

7. The main market players are Blowplast Limited, Ashut Limited, Kenpoly Manufacturing and General Plastics which together control 82% of the market. The other players, including the target, control 18%.
8. 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.**
9. Post-merger, there will be no change in the market structure and concentration since the parties' commercial activities do not overlap. Therefore, the proposed transaction is unlikely to lead to a substantial lessening of competition in the relevant market or raise any competition concerns.
10. 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.



11. With regard to employment, the target is being acquired on a going concern basis and the acquirer shall not vary the target's organizational structure. Further, the proposed transaction is unlikely to negatively impact SMEs' competitiveness and access to international markets.

12. Premised on the foregoing, the Competition Authority of Kenya approved the proposed acquisition of **75% of the issued share capital of ACME Containers Limited by Ascent Capital Holdings Africa II Limited** unconditionally.