



THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF DUDUTECH INTEGRATED PEST MANAGEMENT LIMITED BY BIOLINE GROUP SAS.

1. The Competition Authority of Kenya has approved the acquisition of the entire issued share capital of Dudutech Integrated Pest Management Limited by Bioline Group SAS unconditionally.
2. Bioline Group SAS (Bioline), the acquirer, has no commercial presence, or relevant turnover, in Kenya. It conducts business in the agriculture sector.
3. Dudutech Integrated Pest Management Limited (Dudutech), the target, is incorporated in Kenya. Dudutech is involved in the provision of integrated pest management solutions for farming operations.
4. The proposed transaction involves the acquisition of the entire issued share capital of Dudutech Integrated Pest Management Limited by Bioline Group SAS. The transaction therefore qualified as a merger within the meaning of Section 2 and 41 of the Competition Act No. 12 of 2010.
5. Whereas the acquirer did not generate turnover in Kenya, the target's assets 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. Bioline is involved in the production of cereals for sale and the provision of farming solutions for crops protection. The target deals in the provision of pest management solutions, predominantly bio-pesticides. Therefore, the relevant product market is the market **for pest management solutions**.
7. Dudutech provides its products throughout the country and, therefore, the relevant geographical market is **national**.



8. Integrated pest management solution (IPM) is a process of pest management used by farmers to minimize reliance on potentially harmful chemicals. It involves incorporating preventive cultural, physical, mechanical, biological and chemical controls in order to make their products safer for consumers, farm workers, and the environment.
9. Data from the Pesticide Control Products Board indicated that there are approximately 52 bio-pesticide products registered for use in the country, with over three quarters of them being produced by foreign companies with local agents/distributors. Additionally, bio-pesticides accounted for only two percent (2%) of the pesticides used in the agriculture sector, with a majority being deployed by large-scale flower farms.
10. The major players in the markets for herbicides and insecticides include Bayer-Monsanto, Syngenta, UPL, and Dow-DuPont. Flamingo Horticulture is the leading provider of bio-pesticides in Kenya with 13 registered products followed closely by Koppert B.V (12 products), and T-Stanes (11 products).
11. Post-merger, the market share of the merged entity will not change since there are no overlaps in the merging parties' activities. From the foregoing, the Authority is of the view that the proposed transaction will not lead to substantial lessening or prevention of competition in the market for pesticides in Kenya.
12. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. These 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.
13. With regard to public interest concerns raised by the proposed transaction, it is anticipated that the transaction will enhance the ability of the merged entity to compete in the international markets. Additionally, the merging parties indicated that the transaction will not lead to loss of employment or impede the competitiveness of SMEs in any market.
14. **In view of the foregoing, the Authority approved the proposed acquisition of the entire issued share capital of Dudutech Integrated Pest Management Limited by Bioline Group SAS unconditionally.**