



## **COMPETITION AND FAIR TRADING COMMISSION**

**PUBLIC NOTICE: 13<sup>TH</sup> OCTOBER, 2023**

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### **REQUEST FOR INFORMATION AND VIEWS ON PROPOSED TRANSFER OF 25% OF SHARES IN LILONGWE DAIRY (2001) LIMITED TO NORFUND**

The Competition and Fair Trading Commission (“the Commission”) is a Government agency established under the Competition and Fair Trading Act, Cap 48:09 of the Laws of Malawi. The Commission is mandated to regulate, monitor, control and prevent acts or conducts which are likely to adversely affect competition and fair trading in Malawi.

In pursuance of this mandate, the Commission, among other functions, is charged with the responsibility to regulate mergers and acquisitions. Accordingly, the Commission assesses merger transactions upon application by parties to establish impact of the same on competition in the relevant markets and the economy of Malawi. The Commission may approve, disapprove or approve with conditions depending on the findings made during its assessments.

As required under Section 36 of the Competition and Fair Trading Act, the Competition and Fair Trading Commission has received an application for authorization of a proposed acquisition of 25% of shares of Lilongwe Dairy (2001) Limited (“the Target Undertaking”) by Norfund (“the Acquiring Undertaking”), and together referred to as “the parties”.

According to the information submitted by the parties, the Acquiring Undertaking, Norfund, is the Norwegian Investment Fund for developing countries whose mission is to create jobs and to improve lives by investing in businesses that drive sustainable development. Norfund is 100% Norwegian Government controlled institution and its registered offices are Norfund, Fridtjof Nansens Plass 4, 0160, Oslo, Norway.

On the other hand, Lilongwe Dairy (2001) Limited is a Malawian privately owned company engaged in the processing of milk and milk products and is a company registered under the Companies Act, Cap 46:03 of the Laws of Malawi. The current shareholders of Lilongwe Dairy (2001) Limited are Mr. Asif Yusuf Abdul Karim and Mr. Shakeel Yusuf Karim and its registered offices have been given as Lilongwe Dairy (2001) Limited, Plot 5/85, Area 5 Lilongwe, Off Paul Kagame Road, P.O Box 111, Lilongwe.

It has been submitted that the proposed transaction will involve acquisition of 25% equity shares of Lilongwe Dairy (2001) Limited by Norfund. The proposed transaction constitutes a negative clearance under the Competition and Fair Trading Act (CFTA) and is, therefore, subject to review by the Commission to establish whether it will likely raise competition concerns in the relevant market.

In view of the foregoing, and as required under Section 37 CFTA, the Commission kindly requests the general public, players, consumers and other stakeholders in the dairy industry to provide information on the developments and operations of the industry, and prospects that are likely to emerge in light of this transaction.

Specifically, the Commission will appreciate information on the following:

- Competitors to the Target Undertaking
- Market share estimates of the Parties to the transaction as compared to their competitors
- Ease of entry/exit from/into the dairy industry
- Levels of imports in the Malawi's Dairy industry
- The likelihood that the transaction would result in the parties' having dominant market power in this market
- Countervailing power
- Probable public interest concerns
- Probable efficiencies that the transaction will generate on the markets and the economy for the benefit of consumers
- Whether the transaction should be approved or not by the Commission
- Any more relevant information

The information that is going to be submitted to the Commission will assist in establishing the impact of the proposed transaction on competition and the economy of Malawi, and will help to determine whether or not the Commission should authorize the transaction. Please, be assured that all the information shall be treated with the strictest confidentiality and will be used only for the purpose of this inquiry.

The Commission will be grateful to receive your feedback by **Friday, 27<sup>th</sup> October, 2023**. If you need clarifications or further details concerning any aspect of this request, please, contact our Public Relations Officer Mr. Innocent Helema on phone number **+265 880 725 075** or call our Toll-free Line **2489** or email [innocent.helema@cftc.mw](mailto:innocent.helema@cftc.mw) or [competitioncommission@cftc.mw](mailto:competitioncommission@cftc.mw).



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