



PRESS RELEASE

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9TH OCTOBER, 2025

RECENT DECISIONS BY THE COMPETITION AND FAIR TRADING COMMISSION

The Competition and Fair Trading Commission (“the Commission”) held its 74th meeting on 12th September, 2025, to consider and adjudicate over cases on anti-competitive business practices and unfair trading conducts.

The Commission adjudicated over a total of 36 cases. Out of the 36 cases, 13 were closed at preliminary stage, due to among others lack of merit and early resolution of the issues at hand.

The Commission adjourned 10 cases until the next sitting, mostly on excessive pricing, for different reasons including requests by the respondents for more time to provide additional information. The Commission also recommended 4 mergers for authorization, three from the COMESA Region while one was local.

During the meeting, two companies, RAB Processors Limited and Topmax Enterprises were ordered to pay fines as a percentage of their annual gross revenues, as provided under the Competition and Fair Trading Act (CFTA).

This statement presents summaries on some of the cases that were presented during the Commission’s sitting. For more information on this statement, contact Innocent Helema on 0880725075 or email innocent.helema@cftc.mw.

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CHIEF EXECUTIVE OFFICER

A. CASES ON UNFAIR TRADING PRACTICES

1. ALLEGED EXCESSIVE PRICING AND UNCONSCIONABLE CONDUCT AGAINST RAB PROCESSORS LIMITED

The Commission launched investigations against RAB Processors Limited on 21st January, 2025, following reports of exponential increases in fertilizer prices. The Commission found that the company's pricing practices were excessive and exploitative, disproportionately affecting consumers. This conduct was deemed to violate Section 51(q) of the Competition and Fair Trading Act (CFTA), which prohibits excessive or exploitative pricing in relation to consumers.

Furthermore, the Commission determined that the company's actions constituted unconscionable conduct under Section 51(g) of the CFTA, as they unfairly burdened consumers without regard for fairness or equity. The Commission further noted that fertilizer is a critical input for agriculture in Malawi, and such practices undermine food security and economic stability for farmers and the general public.

Following deliberations, the Commission made the following Orders:

- I. Order the Respondent to pay a monetary penalty of equivalent of 1% of their annual turnover to the Commission for engaging in exploitative pricing of goods, contrary to section 51 (q) of the CFTA.
- II. Order the Respondent to pay a monetary penalty of equivalent of 1% of their annual turnover to the Commission for engaging in unconscionable conduct, contrary to section 51 (g) of the CFTA.

2. ALLEGED EXCESSIVE PRICING AND UNCONSCIONABLE CONDUCT AGAINST TOPMAX ENTERPRISES LIMITED

The Commission launched investigations against Topmax Enterprises Limited on 25th February, 2025 in relation to allegations of excessive or exploitative pricing and unconscionable conduct.

During the investigations, the Commission established that Topmax substantially increased the prices of its products in or around mid-February 2025 by a significant margin (ranging from 85% to 91%) within a very short period. The Commission considered Topmax's submissions that the price increases were due to increased production costs; however, no sufficient evidence was provided to substantiate these claims.

The Commission found that Topmax's conduct amounted to excessive or exploitative pricing, in contravention of Section 51(q) of the CFTA. Furthermore, the Commission determined that Topmax's actions disadvantaged many consumers' access to affordable building materials and were unfair and unconscionable, thus violating Section 51(g) of the CFTA.

Following deliberations, the Commission made the following Orders:

- I. Order the Respondent to pay a monetary penalty equivalent of 1% of their gross annual turnover to the Commission for engaging in unconscionable conduct, contrary to Section 51 (g) of the CFTA.
- II. Order the Respondent to pay a monetary penalty equivalent of 1% of their gross annual turnover to the Commission for engaging in excessive and exploitative pricing, contrary to Section 51 (q) of the CFTA.

3. ALLEGED EXCLUDING LIABILITY FOR DEFECTIVE GOODS BY NASR FURNITURE

In June 2025, the Commission launched formal investigations against NASR Furniture. The investigations were instituted following a complaint.

The Complainant alleged that, in November 2023, she purchased doors from NASR, however, the doors splintered shortly after installation. The Complainant and later the Commission engaged NASR but the Respondent did not provide any remedy.

However, after launching investigations against NASR, the Respondent partly refunded the Complainant money amounting to MK800,000.00 and is yet to refund an outstanding amount of MK303,000.00.

Following deliberations, the Commission made the following Orders:

- I. Order the Respondent to Cease and Desist from engaging in excluding liability for defective goods;
- II. Issue a warning to the Respondent for failing to furnish the Commission with information when requested by the Commission to do so.

B. CASES ON COMPETITION

PROPOSED ACQUISITION OF THE ASSETS OF A BUSINESS FROM SHOPRITE TRADING LIMITED BY KARSON INVESTMENT TRUST

On 27th May 2025, the Commission received an application for authorization of a proposed acquisition of business assets of Shoprite Trading Limited by Karson Investment Trust. The Commission conducted investigations and assessments on the matter in accordance with the CFTA.

In its assessment, the Commission established that the proposed transaction involved two relevant product markets; the retail trading of groceries and other merchandise and the leasing of retail property. In the Retail Property Market, the Commission found that the transaction will not substantively change the existing market structure, and will not lead to the creation of a dominant player. Further, the Commission's assessment did not register any public interest concerns against this transaction in the retail property market.

While no significant competition concerns were identified, the Commission noted potential public interest concerns in the retail trading of groceries and other merchandise market, including the risk of employment loss for Shoprite employees and potential impacts on the shopping experience for customers.

To address these concerns, the Commission approved the proposed acquisition, but imposed the following conditions on the authorization:

- That Karson Investment Trust shall retain all local Shoprite employees who choose to remain employed.
- That, for employees opting to leave, Karson Investment Trust shall ensure their terminal benefits are honored in accordance with Malawi's employment laws.
- That any post-merger restructuring must comply with Malawi's employment laws and be conducted in consultation with the Commission.
- That Karson Investment Trust shall maintain Shoprite's operational standards, including product diversity and shopping ambience.
- That Karson Investment Trust shall submit compliance reports to the Commission every 90 days for the next two years, detailing adherence to these conditions.

It should be noted, however, that the Commission reserves the right to reconsider its decision at any time should it become aware that any information provided by the parties was incomplete or incorrect.