



CAK DECISION ON THE PROPOSED ACQUISITION OF CONTROL OF ATLAS TOWER KENYA LIMITED BY STOA S.A

1. The Competition Authority of Kenya has approved the proposed acquisition of control of Atlas Tower Kenya Limited by STOA S.A unconditionally. The Authority determined that the transaction is unlikely to lead to a substantial prevention or lessening of competition in the market for provision of telecommunication infrastructure in Kenya, nor elicit negative public interest concerns.
2. **STOA S.A. (STOA)**, the acquiring undertaking, is a company incorporated in France. The acquiring group is an investment entity focused on large-scale infrastructure and energy projects in emerging and developing countries. In Kenya, the acquiring group controls STOA Africa Limited.
3. **Atlas Tower Kenya Limited (Atlas Kenya)**, the target undertaking, is a company incorporated in Kenya, wholly owned by Kalahari Capital LLC (Kalahari). It is involved in the development, building and maintaining of telecommunication towers, and related infrastructure, for mobile network operators and internet service providers in Kenya.
4. The proposed transaction involves acquisition of 31.03% minority shareholding, with veto rights, in Atlas Tower Kenya Limited by STOA S.A. The rationale of the proposed transaction is it provides the target with access to additional capital to expand its Kenyan operations.
5. The transaction qualified as a merger within the meaning of [sections 2 and 41 of the Competition Act CAP 504 of the Laws of Kenya](#). The Act stipulates that a merger, or takeover, may occur when an undertaking directly or indirectly acquires control over another business within Kenya. This may happen through, among others, purchase/lease of shares, exchange of shares, vertical integration.
6. Further, merging parties whose combined turnover or assets, whichever is higher, is over KES 1 Billion are required to seek approval from the Authority prior to implementing the proposed transaction. The transaction between STOA S.A, and Atlas Kenya, met this threshold for mandatory notification and full analysis as provided in the [Competition \(General\) Rules, 2019](#).
7. During merger analysis, and in order to determine the impact that a transaction will have on competition, the Authority identifies the relevant product market as well as the relevant geographical market.

8. The relevant product market comprises products/services that are interchangeable or substitutable by the consumer due to their characteristics, prices and/or intended use. Based on this criterion, the relevant product the market for provision of telecommunications infrastructure.
9. Determination of the relevant geographic market involves interrogating the area in which merging parties undertake the business and in which competition conditions are sufficiently similar. The target to the proposed transaction offers its services across the country and, therefore, the relevant geographic market is **national**.
10. A telecommunication tower is an elevated structure fitted with antennas, transmitters, and receivers, designed to support cellular networks by enabling voice, data, and broadband connectivity. The provision of such infrastructure typically takes two forms: co-location, which involves leasing space on an existing tower to multiple operators, and build-to-suit, which entails constructing a new tower at a specified site and within agreed timelines to meet a client's technical and operational requirements.
11. The Communications Authority of Kenya (CA) adopted a Unified Licensing Framework (ULF). Under this framework, operators and service providers are licensed under broad market segments. In these segments, Network Facilities Providers (NFP), which utilize spectrum resources, are subdivided to NFP 1 – 3 with NFP 1 licensees allocated spectrum at national levels, NFP 2 regional and NFP 3 specific geographic areas.
12. According to TowerXchange report, there were 12,555 telecommunication towers in Kenya as of January 2025. Based on tower ownership numbers, Safaricom Plc leads the market with 58.94% followed by ATC Kenya Limited with 32.64%. The target undertaking has a market share of 3.25%.
13. Post-merger, the market shares of the merged entity will not change since the acquirer is not engaged in similar business. Therefore, the structure and concentration of the market for telecommunications infrastructure will not be affected and the transaction is, therefore, unlikely to raise competition concerns. Additionally, the merged entity will face competition from other players accounting for 96.75% market share.
14. Premised on the foregoing, the proposed transaction is unlikely to substantially lessen or prevent competition in the market for the provision of telecommunication infrastructure in Kenya.
15. During merger analysis, the Authority also considers the impact that a proposed transaction will have on public interest. Public interest in this case refers to various economically inclined concepts that, when considered, protect the welfare of the Public. In the Competition Act, some of the public interest considerations are:

- a. extent to which a proposed merger would impact employment opportunities;
 - b. impact on competitiveness of SMEs;
 - c. impact on particular industries/sectors; and
 - d. impact on the ability of national industries to compete in international markets
16. As per the parties' submissions, this transaction will not result in negative public interest issues. Specifically, there will be no employment loss and all the current employees of will be retained under the current terms.
17. Premised on the above, the Authority approved the proposed acquisition of control of Atlas Tower Kenya Limited by STOA S.A. unconditionally.