



MERGER DECISION NO 07: 2022

Notice in Terms of Section 53(4) (a) (ii) of the Competition Act of 2018

DECISION ON THE ASSESSMENT OF THE PROPOSED SALE AND PURCHASE OF LOT 1728, MOLEPOLOLE FROM SNOWLINE ENTERPRISES (PTY) LTD BY LIWA BRIGHT (PTY) LTD

Introduction of the Merging parties

Pursuant to section 53(4)(a)(ii) of the Competition Act of 2018 ("the Act"), notice is hereby given on the decision made by the Competition and Consumer Authority ("the Authority") in relation to the proposed sale and purchase of Lot 1728, Molepolole from Snowline Enterprises (Pty) Ltd ("Snowline") by Liwa Bright (Pty) Ltd ("Liwa"). The transaction was notified to the Authority on 16th February 2022 and the merger assessment was completed on 8th March 2022.

The Acquiring Enterprise, Liwa, is a company incorporated in accordance with the Laws of Botswana. It is wholly owned by Mr Arjun Parameswaran. The Acquiring Enterprise does not directly or indirectly control any enterprise in Botswana. The Target Enterprise, Snowline, is also incorporated in accordance with the Laws of Botswana. It is jointly controlled by Mr Muinuddin Tajbhai and Praius Holdings Proprietary Limited. Similarly, the Target Enterprise does not directly or indirectly control any enterprise in Botswana.

Relevant Markets

In terms of the relevant market, the assessment of the proposed transaction has revealed that the Acquiring Enterprise has not traded before while the Target Enterprise is in the business of property rental and dealing in tasks related to owning of rental properties. The property that is being acquired is situated in Molepolole hence the geographical market is Molepolole. The assessment of the activities of the Merging Parties revealed that there is no overlap in the activities of the Merging Parties in Molepolole.

Competitive Analysis and Public Interest

Given that there is no overlap in the activities of the Merging Parties, the Authority does not expect the transaction to give rise to any Substantial Lessening of Competition or restriction of trade or the provision of service or to endanger the continuity of supplies or service in the relevant market in Botswana.

In terms of the Acquisition of a Dominant Position, the merged entity is not expected to attain any dominant position on account of the transaction in Molepolole as there exist a number of commercial properties owned by diverse individuals which are expected to impose a competitive constraint on the merged entity post implementation.

With regards to Public Interest Considerations, the Authority does not envisage any adverse public interest concerns as a result of the implementation of the proposed transaction.

The Determination

The Authority determined through the analysis of the facts of the merger that the proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service, in the relevant market in Botswana. Furthermore, there is no acquisition of market dominance post-merger, nor any negative effect on public interest in Botswana identified in relation to the provisions of the section 52(2) of the Competition Act of 2018.

Pursuant to the provision of section 53 of the Act, the Authority has unconditionally approved the proposed sale and purchase of Lot 1728, Molepolole from Snowline Enterprises (Pty) Ltd by Liwa Bright (Pty) Ltd.

However, as stated under section 61 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone on this 8th day of March 2022.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,
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