



## MERGER DECISION NO 13: 2021

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

#### **DECISION ON THE PROPOSED SALE AND PURCHASE OF A CERTAIN PIECE OF LAND BEING TRIBAL LOT 16719, MAUN, TOGETHER WITH THE DEVELOPMENTS THEREON, FROM RAINET SAFARIS (PTY) LTD BY BIFM LOCAL PROPERTY FUND**

##### **Introduction of the Merging Parties**

- i. Pursuant to Section 53(4)(a)(ii) of the Competition Act 2018 (“the Act”), notice is hereby given on the decision made by the Competition and Consumer Authority (“The Authority”) in respect of the proposed sale and purchase of a certain piece of land being Tribal Lot 16719, Maun, together with the developments thereon, from Rainet Safaris (Pty) Ltd (“Rainet Safaris”) by BIFM Local Property Fund (“BIFM LPF”). The transaction was notified to The Authority on 15<sup>th</sup> February 2021 and the merger assessment was completed on 10<sup>th</sup> March 2021.
- ii. The Acquiring Enterprise, BIFM LPF, is a unit trust established in terms of the Trust Deed and a supplemental deed between BIFM Unit Trusts (Pty) Ltd as the Manager; Stanbic Bank Botswana Ltd as the Trustee; and Botswana Insurance Fund Management Ltd as the Investment Manager. BIFM LPF, is a local fund which invests in immovable property in Botswana.
- iii. The Selling Enterprise, Rainet Safaris, is a limited liability company incorporated in accordance with the Laws of Botswana. Rainet Safaris is a property development and a holding company.

##### **Relevant Markets**

- i. In terms of the relevant market, the assessment of the Proposed Transaction revealed that the Acquiring Enterprise, is a local fund which invests in immovable property in Botswana, through investing funds received from its investors. BIFM LPF, mostly invests in commercial properties throughout Botswana, particularly in the retail, residential and industrial sectors; and these properties are leased out. Contrastingly, the Selling Entity is a property development and a holding company, and its sole asset is Tribal Lot 16719 in Maun (“the Property being sold”). The Target Entity’s sole product offering is letting out the Property and its income is solely derived from the rental fee.

- ii. From the description of the activities of the Parties, it can be concluded that there is a minimal product overlap in terms of commercial property rental in the relevant geographic market of Maun.  
However, this market in Maun is highly contestable characterised by big players, as well as diverse individuals that would continue to impose a competitive constraint in the market post-merger. Accordingly, the proposed transaction is expected to insignificantly change the competition landscape in the market under consideration post implementation; and as such, the Authority does not anticipate any competition concerns to arise in the relevant market in Botswana post-merger.

### **Competitive Analysis and Public Interest**

- i. The Authority's assessment did not reveal any substantial lessening of competition concerns that would arise as result of the Proposed Transaction. The Acquiring Enterprise is not expected to attain any dominant position on account of the transaction, as there exist key players that would impose competitive constraints to the Merged Entity post implementation.

### **The Determination**

- i. The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in 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 of the Competition Act 2018.
- ii. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed sale and purchase of a certain piece of land being Tribal Lot 16719, Maun, together with the developments thereon, from Rainet Safaris (Pty) Ltd by BIFM Local Property Fund.

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 10<sup>th</sup> day of March 2021.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013