



## MERGER DECISION NO 14: 2017

### **DECISION ON THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHAREHOLDING OF GLOBAL HOLDINGS BOTSWANA (PTY) LTD BY PST SALES AND DISTRIBUTION (PTY) LTD AND THE ACQUISITION OF 25% SHAREHOLDING IN PST SALES AND DISTRIBUTION (PTY) LTD BY IMPERIAL CAPITAL LIMITED**

PURSUANT to section 60(4)(a)(ii) of the Competition Act (Cap 46:09), notice is hereby given on the decision made by the Competition Authority in respect of the proposed acquisition of the entire issued shareholding in Global Holdings Botswana (Pty) Ltd by PST Sales and Distribution (Pty) Ltd, and the acquisition of 25% shareholding in PST Sales and Distribution by Imperial Capital Limited.

The Authority determined to authorise the proposed transaction on the grounds that the analysis of the facts of the case have shown that there are no substantial competition concerns that will arise in the market for the distribution of Fast Moving Consumer Goods to resellers, given the fact that:

- i. The proposed transaction is not likely to result in substantial lessening of competition, due to the competition constraints such as import competition, low barriers to entry and countervailing power that exist in the market under consideration;
- ii. Though the merger would create a dominant entity, the presence of another entity with more market shares, will impose competitive constraints on the merged entity; and
- iii. No negative public interests have been identified in this merger.

Furthermore, the Authority took into consideration the fact that the merging parties had submitted that Imperial Capital Limited would acquire 25% shareholding in PST Sales and Distribution at a later stage. Pursuant to the provisions of section 60 of the Competition Act, the acquisition of the entire issued shareholding in Global Holdings Botswana (Pty) Ltd by PST Sales and Distribution (Pty) Ltd is unconditionally approved, while the acquisition of the 25% shareholding in PST Sales and Distribution by Imperial Capital Limited is approved on condition that Imperial Capital Limited exercises the option to buy not later than 23<sup>rd</sup> March 2018.

If the option is exercised later than this date, then the transaction would have to be notified to the Authority

However, as stated under section 66 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to these mergers must comply with under the Laws of Botswana.

Dated at Gaborone this 22<sup>nd</sup> day of March 2017.

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