



MERGER DECISION NO 19: 2021

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

THE PROPOSED ACQUISITION OF CONTROL OVER PUMA ENERGY HOLDINGS PTE LTD BY TRAFIGURA PTE LTD

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 acquisition of control over Puma Energy Holdings (PTE) LTD by Trafigura (PTE) LTD. The transaction was notified to the Authority on 28th April 2021 and the merger assessment was completed on 28th May 2021.
- ii. The primary acquirer is a subsidiary of Trafigura Group Pte Ltd ("Trafigura"). Trafigura is a firm incorporated in accordance with the Laws of Singapore and is an independent commodity trader, specialising in the supply and transport of oil and petroleum, mineral and metal commodities globally. Trafigura does not control any undertakings in Botswana and neither does it control undertaking which have activities in Botswana. However, Trafigura is an existing shareholder of Puma Energy, the parent company of the target entity, and holds a 55.5% non-controlling stake in the target enterprise.
- iii. Puma Energy, is a firm incorporated in accordance with the Laws of Singapore. Puma Energy is a global integrated energy company. Puma Energy is the Group holding company and ultimate parent company of Puma Energy Botswana (Pty) Ltd ("Puma Energy Botswana"). Puma Energy Botswana is active in the distribution of refined fuel products, including automotive fuels, lubricants and aviation fuel. Puma Energy Botswana also owns storage facilities in Gaborone and also operates a network of fuel filling stations.

Relevant Markets

- iv. In terms of the relevant market, the assessment of the proposed transaction revealed that the merging parties do not compete in the same product market. Though the acquirer is not operational in any of the markets in Botswana, it is imperative to note that Trafigura is said to be a leading independent commodity trader, specialising in the supply and transport of oil and petroleum, mineral and metal commodities globally.

On the other hand, Puma Energy is involved in the distribution of refined fuel products, including automotive fuels, lubricants and aviation fuel through its subsidiary Puma Energy Botswana. Furthermore, Puma Energy Botswana also owns storage facilities in Gaborone and operates a network of fuel filling station.

- v. From the description of the markets of the Merging Parties, it can be deduced that there is absence of product overlap in the activities of the merging parties. Therefore, the Authority maintains that it is not necessary to reach a definitive view on the exact scope of the product market as the market structure is not expected to change post implementation of the proposed transaction.

Competitive Analysis and Public Interest

- vi. The Authority's assessment did not reveal any substantial lessening of competition concerns as this transaction is merely an increase in shareholding by an entity that already has a direct shareholding in the target enterprise.

The Determination

- vii. The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the services offered in the relevant market. Furthermore, no public interest concerns have been identified.
- viii. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of control over Puma Energy Holdings PTE LTD by Trafigura PTE 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 28th day of May 2021.

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