



MERGER DECISION NO 21: 2021

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

DECISION ON THE PROPOSED SALE AND PURCHASE OF A PORTION OF A CERTAIN PIECE OF IMMOVABLE PROPERTY BEING LOT 77806, SETLHOA, GABORONE, TOGETHER WITH THE DEVELOPMENTS THEREON, FROM MEYBEERNICK INVESTMENTS (PTY) LTD BY ALLMUSS BOTSWANA (PTY) 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 sale and purchase of a portion of a certain piece of immovable property being Lot 77806, Setlhoa, Gaborone, together with the developments thereon, from Meybeernick Investments (Pty) Ltd ["Meybeernick Investments"] by Allmuss Botswana (Pty) Ltd ["Allmuss Botswana"]. The transaction was notified to The Authority on 25th February 2021 and the merger assessment was completed on 4th June 2021.
- ii. The Acquiring Enterprise, Allmuss Botswana, is a company duly incorporated with limited liability in accordance with the Laws of South Africa. Allmuss Botswana, is primarily a property investment company that deals in the acquisition, leasing and sale of property in Botswana.
- iii. The Selling Enterprise, Meybeernick Investments, is a company duly incorporated with limited liability in accordance with the Laws of Botswana. Meybeernick Investments is an investment property company which generates income from property rental.

Relevant Markets

- i. In terms of the relevant market, the assessment of the Proposed Transaction revealed that both the Merging Parties are both property investment vehicles for their parent companies in that the Acquiring Entity is property Investment Company for Italtile Ceramics Ltd in Botswana while the Target Firm is a property investment company for Sefalana Holdings. The properties owned by the Merging Parties are leased out and derive rental revenue from the same.

- ii. It can be concluded that there is product overlap in the activities of the Merging Parties in the market for *provision of commercial property rental* in the relevant geographic market of Gaborone.

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 Determination

- i. 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 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 portion of a certain piece of immovable property being Lot 77806, Setlhoa, Gaborone, together with the developments thereon, from Meybeernick Investments (Pty) Ltd by Allmuss Botswana (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 4th day of June 2021.

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