



## MERGER DECISION NO 25: 2021

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

#### **DECISION ON THE ASSESSMENT OF THE PROPOSED SALE AND PURCHASE OF AN IMMOVABLE PROPERTY BEING PORTION 5 OF THE FARM MARAKALALO ESTATE NO.15 FROM THORNPARK (PTY) LTD BY MAXISAVE BOTSWANA (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 an immovable property being Portion 5 of the Farm Marakalalo Estate No.15 from Thornpark (Pty) Ltd ("Thornpark") by Maxisave Botswana (Pty) Ltd ("Maxisave Botswana"). The transaction was notified to the Authority on 8<sup>th</sup> June 2021 and the merger assessment was completed on 15<sup>th</sup> July 2021.

The Acquiring Enterprise, Maxisave Botswana, is a company incorporated under the Laws of Botswana. Maxisave Botswana is in the business of wholesale and retail of steel, timber and cement nationwide.

The Target Enterprise, Thornpark, is a company incorporated under the Laws of Botswana. Thornpark is the holding company of Portion 5 of the Farm Marakalalo Estate No.15, a farm which is located near Machaneng Village in the Central District of Botswana.

#### **Relevant Markets**

The analysis and the facts of the proposed transaction reveal that the Merging Parties operate in different markets all together; in that the Acquiring Entity is in the business of wholesale and retail of steel, timber and cement nationwide from Gaborone, while the Target Enterprise is in the business of commercial game farming.

The merger assessment therefore did not reveal any overlap between the merging parties' activities. Accordingly, the proposed transaction is not expected to alter the structure of the relevant market in Botswana post. In view of the nature of the products and services offered by the Target Enterprise, the market under consideration is defined as the commercial game farming.

#### **Geographic Market**

The geographical market is national (Botswana).

## **Competitive Analysis and Public Interest**

In the assessment of Substantial Lessening of Competition, the proposed transaction is not expected to reduce the level of competition in the market under consideration in Botswana. There is absence of both geographic and product overlaps in the activities of the Merging Parties. Therefore, the proposed transaction is not envisaged to change the competition landscape in the relevant markets post implementation; and as such, the Authority does not anticipate any competition concerns to arise in the relevant market in Botswana post-merger.

The proposed transaction will not result in the merged entity attaining any dominant position post implementation due to a lack of overlaps in the activities of the Merging Parties. The structure of the relevant market is not expected to change post-merger and therefore the proposed transaction is not expected to result in a market share accretion of the merged entity or any other entity in Botswana.

In terms of Public Interest Considerations, the proposed merger will not have any negative effects on public interest issues in Botswana. In particular, there will be no adverse effects on employment in Botswana. The Authority, therefore does not envisage any job losses nor any other adverse public interest concerns as a result of the same.

## **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 of the Competition Act 2018.

Pursuant to the provision of section 53 of the Act, the Authority has unconditionally approved the proposed sale and purchase of an immovable property being Portion 5 of the Farm Marakalalo Estate No.15 from Thornpark (Pty) Ltd by Maxisave 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 15<sup>th</sup> day of July 2021.

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