



MERGER DECISION NO 32 OF 2022

DECISION ON THE PROPOSED ACQUISITION OF CERTAIN ITEMS OF PROPERTY, PLANT, MACHINERY AND TOOLS FROM SHRIMP (PTY) LTD BY BLUE PEBBLES (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 acquisition of certain items of Property, Plant, Machinery and tools from Shrimp (Pty) Ltd t/a Lulu Bricks [“Lulu Bricks’] by Blue Pebbles (Pty) Ltd t/a Mega Pave [“Mega Pave”]. The transaction was notified to the Authority on 24th August 2022, and the merger assessment was completed on 15th September 2022.
- ii. The Acquiring Enterprise, Mega Pave, is a company incorporated under the Laws of the Republic of Botswana. Mega Pave manufactures high-end pavers that are Botswana Bureau of Standards compliant and certified in a variety of styles and colours. It also manufactures kerbstones, as well as blocks, cobbles and paving stones, cobble stones; block and slabs; stepping stones; slate blocks; copings and cladding products. These products are used in driveways, patios, pools, large residential projects for roads and walkways. Mega Pave offers these products, delivery and installation services to clients nationwide.
- iii. The Target Enterprise, Lulu Bricks, is a company incorporated under the Laws of the Republic of Botswana. Lulu Bricks is a brick manufacturer of stock bricks (6 inch blocks) and pavers (interlocking and bevel edged pavers) for commercial and private building projects. It offers these products to clients nationwide.

Relevant Markets

- iv. In terms of the relevant markets, the assessment of the Proposed Transaction reveals that the Acquiring Firm is not acquiring the business of the Target Firm; but rather the Target's property and assets to increase its manufacturing capacity. In that, its current site is not large enough to accommodate extra equipment. Consequently, the proposed transaction is not expected to change the market structure in the relevant market post implementation.

Competitive Analysis and Public Interest

- v. The Authority's assessment has revealed that the structure of the relevant market will not change post-merger, and the Proposed Transaction is not likely to result in any adverse effects on competition in the relevant market in Botswana post implementation.

The Determination

- vi. 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. There is a public interest concerns post-merger since the Target is exiting the market. It is anticipated that jobs will be lost. However, this is not as a result of the proposed merger.
- vii. Pursuant to the provision of section 53 of the Act, the Authority has decided to *unconditionally approve* the proposed acquisition of certain items of Property, Plant, Machinery and tools from Shrimp (Pty) Ltd t/a Lulu Bricks by Blue Pebbles (Pty) Ltd t/a Mega Pave.

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 16th day of September 2022.

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