



## **MERGER DECISION NO 33: 2024**

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

#### **DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF 100% SHAREHOLDING IN CRAWICKMILL PROPRIETARY LIMITED BY LEWIS STORES (BOTSWANA) PROPRIETARY LIMITED**

##### **Introduction of the Merging Parties**

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 100% shareholding in Crawickmill Proprietary Limited ("Crawickmill" or "the Target Enterprise") by Lewis Stores (Botswana) Proprietary Limited ("Lewis Botswana" or "the Acquiring Enterprise"). The transaction was notified to the Authority on 15<sup>th</sup> August 2024, and the merger assessment was completed on 23<sup>rd</sup> September 2024.

The Acquiring Enterprise, Lewis Botswana, is a company incorporated in accordance with the Laws of the Republic of Botswana. It is controlled by Lewis Stores (Pty) Ltd and Lewis Insurance Services (Botswana) (Pty) Ltd; these are companies registered in South Africa and Botswana, respectively.

The Target Enterprise, Crawickmill, is a company incorporated in accordance with the Laws of Botswana. It is controlled by Daniel Rautenbach, Ferdinand Van Der Merwe and the executor of the late estate of Cornelius Johannes Bester. These individuals do not have any other business interests in Botswana. It is worth noting that Crawickmill trades as Best Beds.

##### **Relevant Market**

The Acquiring Enterprise is in the business of retailing household furniture, electronic appliances, home electronics and allied services. These products and services are offered to customers through the Acquiring Enterprise's retail stores in various towns across Botswana. The Acquiring Enterprise sells its products to individual customers nationwide.

On the other hand, the Target Enterprise is in the business of selling beds, mattresses, and other related bedside furniture, in various stores in Botswana. Crawickmill distributes these products from its 4 retail stores situated in Game City

mall, Airport Junction mall, Fields mall and Rail Park mall, all in Gaborone. The Target Enterprise sells its products to individual customers in Botswana.

The Proposed Transaction gives rise to a horizontal overlap post-merger, in that both enterprises are active in the retailing of beds, mattresses, and related bedside furniture. However, the Proposed Merger is not expected to significantly alter the market structure post implementation, as the Target Enterprise is an insignificant player in the relevant market. Furthermore, there is effective remaining competition post-merger in that the relevant market is vested with diverse players from individuals to companies both locally and internationally. The Authority does not anticipate any competition concerns to arise in the relevant market in Gaborone post-merger.

The Authority therefore concluded to describe the relevant market based on the nature of the products offered by the Merging Parties to their customers in Botswana. The market under consideration is described as *the market of retailing of beds, mattresses, and related bedside furniture in Botswana*.

## **Competitive Analysis and Public Interest**

The Authority has established that the Proposed Transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market of retailing of beds, mattresses, and related bedside furniture in Botswana. However, the proposed merger may have a negative effect on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act of 2018.

## **The Determination**

Pursuant to the provision of Section 53 of the Competition Act, 2018, the Authority has decided to approve the proposed acquisition of 100% shareholding in Crawickmill Proprietary Limited by Lewis Stores (Botswana) Proprietary Limited, with the following conditions:

1. There shall be no merger specific retrenchments or redundancies of employees for a period of three (3) years from the Approval date and/or the Implementation date. For clarity, merger specific retrenchments or redundancies do not include (the list is not exhaustive):
  - a) voluntary retrenchment and/or voluntary separation arrangements;
  - b) voluntary early retirement packages;
  - c) unreasonable refusals to be redeployed;
  - d) resignations or retirements in the ordinary course of business;
  - e) retrenchments lawfully effected for operational requirements unrelated to the Merger; and

f) terminations in the ordinary course of business, including but not limited to, dismissals as a result of misconduct or poor performance.

2. The Merged Enterprise shall inherit all employees of the Target Enterprise on the same or better terms and conditions of employment;
3. The Merged Enterprise shall provide details (Full Name; Identification Number; Gender; Position; and contact number) of the current employees of the Target Enterprise and the Acquiring Enterprise within thirty (30) business days from the Approval date;
4. The Merged Enterprise shall share a copy of the conditions of approval with all employees of the Target Enterprise and Acquiring Enterprise and/or their respective representatives within thirty (30) business days from the Approval date;
5. The Merged Enterprise shall inform the Authority of the date of implementation within thirty (30) business days, post implementation date; and
6. The Merged Enterprise shall for a period of (three) 3 years from the implementation date submit to the Authority, a report on each anniversary of the implementation date, detailing its compliance with the above-mentioned conditions.

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 23<sup>rd</sup> day of September 2024.

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