



## **MERGER DECISION NO 43: 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% OF THE ISSUED SHARE CAPITAL OF INFRASTRUCTURE SPECIALIST GROUP PROPRIETARY LIMITED BY MPA CONSORTIUM 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 the 100% of issued share capital of Infrastructure Specialist Group Proprietary Limited ["ISG" or "the Target Enterprise"] by MPA Consortium Proprietary Limited ["MPA" or "Acquiring Enterprise"].

The Acquiring Enterprise, MPA, is a newly incorporated company registered in South Africa. It is established for the purposes of this transaction.

The Target Enterprise, ISG, is a company incorporated in South Africa. ISG has subsidiaries in South Africa, Botswana and Namibia. In Botswana, ISG owns Kwena-Rocla Proprietary Limited ["Kwena-Rocla"].

##### **Relevant Market**

The Acquiring Enterprise is a special purpose vehicle created for the purposes of this transaction. Separately, the Target Enterprise operates through its subsidiaries in South Africa, Botswana and Namibia. In Botswana, the Target Entity conducts its business through Kwena-Rocla, a producer and supplier of concrete products such as pavers, kerbstones, building bricks/hollow blocks and railways sleepers. Kwena-Rocla is also a major supplier of walling, landscaping and infrastructural products. The business activities of Kwena-Rocla are currently limited to Botswana.

Considering the above, the proposed transaction will not give rise to any overlap post-merger. In view of the nature of the products offered by Kwena-Rocla in Botswana in the merger under assessment, the relevant market is defined as the *manufacturing and supply of pre-cast concrete, walling, landscaping and infrastructural products across Botswana.*

Therefore, the structure of the relevant market is not expected to change post-acquisition, as the Acquirer is not present in Botswana. The Authority does not anticipate any competition concerns to arise in the relevant market in Botswana post-merger.

### **Competitive Analysis and Public Interest**

The Authority has established that the Proposed Transaction is not likely to result in a substantial lessening of competition, as far as the market of manufacturing and supply of pre-cast concrete, walling, landscaping and infrastructural products across Botswana is concerned. Furthermore, the proposed merger will not have any negative effect on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018.

### **The Determination**

Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of the 100% of issued share capital of Infrastructure Specialist Group Proprietary Limited by MPA Consortium Proprietary Limited.

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 29<sup>th</sup> day of October 2024.

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