



MERGER DECISION NO 44 OF 2024

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF THE 100% OF ISSUED SHARE CAPITAL OF GOSIAME INVESTMENTS PROPRIETARY LIMITED BY NALAMALAPU ANJI REDDY

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 Gosiam Investments Proprietary Limited ["Gosiam Investments" or "the Target Enterprise"] by Nalamalapu Anji Reddy ["Nalamalapu Reddy" or "Acquirer"].

The Acquirer, Nalamalapu Reddy is a Motswana citizen, with business interests in various companies in the petroleum filling and service stations sector.

The Selling Enterprise, Gosiam Investments, is a company incorporated in accordance with the Laws of Botswana. It is controlled by Sadeck Kala, a Motswana citizen.

Relevant Market

The Acquirer is a businessman with business interests in various petroleum service and filling stations across Botswana most of them through partnerships. These are a mixture of Engen, Puma and Shell branded petroleum filling and service stations. In addition, these petroleum filling and service station retail fuel products (diesel and petrol) and lubricants to both commercial and individual customers in Botswana. On the other hand, the Selling Enterprise operates a Caltex branded petroleum filling and service station (this is the only fuel business that the Target owns) in Molepolole. This petroleum filling and service station retails fuel products (diesel and petrol) and lubricants to both commercial and individual customers in Botswana.

Considering the above, the proposed transaction reveals a horizontal overlap in the activities of the Merging Parties, in terms of retail petroleum products and service through operation of petroleum filling and service stations; and a similar customer base. However, the identified overlap lacks geographical presence. The Acquiring Entity has petroleum filling and service stations across the country

especially in remote areas/villages (most of them are co-owned). While the Target Entity operates its sole petroleum filling and service station in Molepolole.

It is worth mentioning that Molepolole is the place where the transaction is taking place, and as such, the geographical market will be limited to Molepolole. It should be noted that the Acquirer does not currently own any petroleum filling and service station in Molepolole. It can be concluded that the Acquiring Enterprise is a new entrant in the relevant market of Molepolole. In addition, there are currently 13 petroleum filling and service stations of different brands in Molepolole, and competition is basically on service provisions as the market is regulated. Therefore, post-merger the Merged Entity will face strong competition from the existing players.

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 relevant in Molepolole. 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, 2018, the Authority has decided to unconditionally approve the proposed acquisition of the 100% of issued share capital of Gosame Investments Proprietary Limited by Nalamalapu Anji Reddy.

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 27th day of November 2024.

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