



## MERGER DECISION NO 49: 2021

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

#### **DECISION ON THE PROPOSED ACQUISITION OF 100% ISSUED SHARE CAPITAL IN BARLOWORLD SPECIALISED TRANSPORT PROPRIETARY LIMITED, MANLINE ENERGY PROPRIETARY LIMITED, AND MANLINE FREIGHT PROPRIETARY LIMITED BY BAKERS TRANSPORT PROPRIETARY LIMITED**

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

- i. 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 respect of the proposed acquisition of 100% of issued share capital in Barloworld Specialised Transport Proprietary Limited ("BST"), Manline Energy Proprietary Limited ("Manline Energy"), and Manline Freight Proprietary Limited ("Manline Freight") (hereinafter collectively referred to as the "Target Enterprises") by Bakers Transport Proprietary Limited ("Bakers" or the "Acquiring Enterprise"). The transaction was notified to the Authority on 4<sup>th</sup> October 2021 and the merger assessment was completed on 15<sup>th</sup> December 2021.
- ii. Bakers, the Acquiring Enterprise, is wholly controlled by Bakers S.A Limited ("Bakers SA"), a company incorporated in accordance with the Laws of the Republic of South Africa. Bakers controls Bakers Leasing Botswana Proprietary Limited ("Bakers Leasing"), a company incorporated in accordance with the Laws of Botswana. In turn, Bakers SA is wholly controlled by the Cameron Family Trust ("Cameron Trust"). Bakers' offers transport logistics services targeted at clients with medium-to-long-term contracts within the White and Brown goods, Fast Moving Consumer Goods (FMCG) and packaging industries. In addition, Bakers operates its own Mercedes Benz Accredited vehicle repair and servicing division across various areas in South Africa. Bakers Leasing Botswana is currently not operational. The Director of Bakers and Bakers Leasing Botswana is Abdool Kader Tayob; a South African national.
- iii. The Target Enterprises are wholly controlled by Barloworld Transport Proprietary Limited ("Barloworld Transport"), a company incorporated in accordance with the Laws of the Republic of South Africa. Barloworld Transport is controlled by Barloworld Logistics Africa Proprietary Limited ("Barloworld Logistics Africa"). In turn, Barloworld Logistics Africa is controlled by Barloworld Investments Proprietary Limited ("Barloworld Investments"). Barloworld Investments is in turn controlled by

Barloworld Limited ("Barloworld") a public company listed on the Johannesburg Stock Exchange.

### **Relevant Markets**

- iv. The Acquiring Enterprise has presence in Botswana through Bakers Leasing Botswana. However, Bakers Leasing Botswana is currently not operating. Conversely, the Target Enterprises have presence in Botswana through Manline Energy's subsidiary being Manline Energy Botswana. Manline Energy Botswana is active in the transportation of hazardous cargo, including fuel, chemicals and gas. Thus, the relevant market is defined as the market for transportation of hazardous cargo, including fuel, chemicals and gas in Botswana.

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

- v. The Authority notes that there is no overlap in the activities of the merging parties in the relevant market. Bakers Leasing Botswana is not yet operational while Manline Energy Botswana plays in the transportation of hazardous cargo, including fuel, chemicals and gas market. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest that was identified.

### **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 the prevention or substantial lessening of competition, or endanger the continuity of the services offered in the relevant market. Furthermore, no public interest concerns have been identified.
- vii. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of 100% of issued share capital in Barloworld Specialised Transport Proprietary Limited, Manline Energy Proprietary Limited, and Manline Freight Proprietary Limited (collectively referred to as the "Target Enterprises") by Bakers Transport Proprietary Limited.
- viii. 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 December 2021.

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