



## Market Study Reveals Competition Concerns in Botswana's Poultry Industry

The Competition Authority and the Competition Commission participated in the 13th ICN Annual Conference from 22nd to 25th April in Marrakesh, Morocco.

The Commission was represented by Commissioners Dr. Jay Salkin and Dr. Selinah Peters; and the Registrar and Advisor to the Commission Ms. Tebogo Tyolo.

The CA was represented by the Director of Competition and Research Analysis, Dr. Mokubung Mokubung, the Communications and Advocacy Officer Ms. Kelebogile Ngwenya, the Legal and Enforcement Officer Mr. Kesego Modongo, the Finance Officer Mr. Morulaganyi Modikwa and Mergers and Monopolies Analyst Mr. Ridwell Moremi.



Dr. Mokubung Mokubung



While in Marrakesh, Dr. Mokubung presented findings of a regional market study on the Poultry Sector in Botswana at a forum organised by the African Competition Forum (ACF).

The study on the commercial poultry meat industry, commonly referred to as chicken, was part of a Research Programme on Competition Dynamics and Regional Trade Flows conducted under the ACF which was undertaken in Botswana, Namibia, South Africa and Zambia, focusing on the links between competition and development. (Similar studies were also undertaken under the programme for the cement and sugar industries).

The poultry meat industry in the region was found to be oligopolistic in nature with many of the same large firms operating at varying levels in the four countries which participated in the study.

With regard to Botswana, the market study revealed that the poultry meat industry is unique with complex ownership structures. The largest producers in Botswana have ties to South African producers, the largest domestic producers face limited competition at the breeder and processing levels, and the tight trade restrictions protect the dominant players from competition.

According to the Poultry report, in Botswana the relationships between the abattoir and processing plant with the contract growers place smaller farmers in a challenging position as they appear to be set up to fail. It says there is a concerning trend in Botswana where abattoirs seek to integrate backwards by developing contract grower relationships with the smaller farmers. The abattoirs buy feed and stock on behalf of the small farmers and when the small farmers do not meet their targets they have to pay the abattoir back. "There is a concern that the contract growing agreements with abattoirs will contribute to eliminating the smaller farmers resulting in a decrease in competition", the report says.

Furthermore, feed costs in Botswana could be driven higher by government restrictions on feed importation as broiler producers have to source at least 70% of their feed locally and if there is a shortage of domestic supply to fulfil the quota, a producer needs to obtain an import permit.

### IN THIS ISSUE

1. Market Study Reveals Competition Concerns in Botswana's Poultry Industry Page 1

2. Jack's Gym Ordered to Reduce Concentration in Gaborone Page 2

3. Impact of Competition Policy Implementation in Botswana Page 3

4. Kaira's Boys Demolish South African Competition Commission Page 8

On the other hand, the higher cost for day old chicks in Botswana could be attributed to the lack of economies of scale at the breeding level as well as government protection that blocks imports of day old broiler chicks in Botswana.

Another potential competition concern for abattoirs and growers in Botswana identified in the research report is the Halaal certification requirement which could act as a barrier to trade in processed poultry products.

The research report further states that in Botswana (and Zambia), there is a general observation that dominant companies could be engaging in unilateral conduct bordering on over-pricing of poultry products at both feed and broiler breeding levels; “However, if a few large companies dominate an industry and are able to extract supra-competitive profits, then this will be at the expense of growth”, notes the report.

As one of its recommendations, the Poultry research report calls on national governments to consider relaxing in stages the protectionist policies that are currently being implemented. It points out to a danger that if there is lack of competition within a country or region the benefits installed to incentivise the required investment into the poultry meat industry will only be captured by the large firms and their shareholders while the small poultry farmers will continue to be marginalised.

“Some of the benefits that could be realised from relaxing protectionist policies include cheaper feed costs in countries such as Botswana as well as greater price competition for end products which would benefit end consumers” the report says.



## Jack's Gym Ordered To Divest To Reduce Concentration In Gaborone

**T**he Competition Authority has conditionally authorised the proposed acquisition of all the assets and goodwill of Evolution (Pty) Ltd, Gym Active and CNS Gym by Humaree Investments (Pty) Ltd trading as Jack's Gym.

Announcing its decision on March 7th, the Authority noted that this transaction was implemented in contravention to section 55 of the Competition Act and expressed great concern and regret that Jack's Gym implemented the transaction without following the competition law.

It said the merger assessment showed that there were substantive competition concerns that would arise in the gyms market, given the fact that the proposed transaction had resulted in substantial lessening of competition due to the removal of three competitors from the relevant markets.

Furthermore, the merger had resulted in the merged entity acquiring a dominant position as seen from pre-merger market share estimates of 17.5% to 42.3%, post transaction in Gaborone and 100% in Palapye.

In addition, the merged enterprise had demonstrated its ability to increase prices without effective constraint from competitors or potential competitors.

The Authority however noted that the proposed merger had some benefits to the public in the form of improved service delivery to the targeted gym members in the relevant markets

Taking the competition concerns into consideration and pursuant to the provisions of section 60 of the Competition Act, the Authority approved the proposed merger on condition that Jack's Gym divests the gym previously operating as Gym Active at Village, Gaborone, in order to reduce its concentration in Gaborone.

This is in view of the fact that Jack's Gym had demonstrated the ability to grow organically, as evidenced by opening at Lansmore and Block 5.

The divestiture should be completed within a period of 24 months, from the date of authorisation.

## Impact Of Competition Policy Implementation In Botswana – Going Beyond The Rhetoric



Mr. Thula Kaira: Chief Executive Officer of the Competition Authority

“We are humbled this morning that you have spared some time to be with us as we talk about ‘Competition’. Competition is a term or concept that each of us know all too well from our own personal relations with our friends, neighbours, professional colleagues and rivals. Equally, for sports fanatics, the word ‘competition’ is very familiar.

In the commercial or business context, there is the ‘competition’ that we deal with at the Competition Authority and the Competition Commission. This is about competition for the targeted buyer’s money. While all these are different forms of competition, the underlying similarity of all forms of competition is that the victor should have gained the victory through fair ‘over-hand’ (as opposed to ‘under-hand’) methods. Secret meetings, secret deals, golf-course or pub-gentlemen/women agreements make a mockery of fair competition to those who are left out of such interactions.

A lot of important questions are usually asked regarding the impact of competition policy in Botswana. Understandably, it is easier to set out a policy by getting a consultant to draft such, as well as have a legal framework to deal with certain aspects of the policy.

Fortunately for Botswana, the setting up of the Competition Authority and the Competition Commission was by no means meant merely to create jobs for those of us who are privileged to work at the CA. It was a well-informed and deliberate consultative decision that was taken to create an institutional framework that was going to have a positive impact on the economy of Botswana.

The National Competition Policy of 2005 recognised that competition Policy is necessary because it provides, through competitive markets, the best means of ensuring that the economy’s resources are put to their best use by encouraging enterprise efficiency and widening choice. The Policy also noted that competition is also necessary because where markets work well, they provide strong incentives for good performance, thus, encouraging firms to improve productivity, reduce prices and innovate whilst rewarding consumers with lower prices, and a wider choice of high quality goods and services.

This morning, I wish to share with you on how we have gone beyond the historical-policy rationale and show results beyond the rhetoric; as well as bring to the fore our Global Competitiveness rankings in relation to competition, and what measures we need to put in place. As we are all very aware, quoting the policy, the law and cases handled is mere rhetoric.

### *Is the Competition Authority beyond the Rhetoric?*

Measuring impact of economic activity is an important part of justifying the existence of, and continued support to institutions such as the Competition Authority. We are very aware that results, in tangible shapes or forms, are expected of us by both government and the public in relation to promotion of local competition; control abuse of dominant market power, and effectiveness of anti-monopoly policy.

I am pleased to state that, in 2013/14, the Competition Authority has actually gone beyond the rhetoric by producing certain noteworthy results, which I am going to share with you.

### *In relation to Cartel Conduct*

• Of a total of 20 bid rigging and price-fixing cases largely related to Government procurement, medical aid industry and car panel beating industry, six cartels were successfully investigated in 2013 and referred to the Competition Commission for adjudication. Dealing with such cases ensures that they not only result in penalties being meted out to the cartelists, but also send the right deterrent signal to businesses not to engage in anti-competitive conduct. This is good progress that would assist Botswana in the critical Goods Market Efficiency pillar of the global competitiveness rankings.

• Now, what does this mean in terms of the impact? There has been self-evident impact in a suspected case of bid-rigging in a tender for the supply of food rations to the Government - where the Authority investigated Ya Raheem Investments for colluding with a Director of its competitor to use the latter’s prices for bidding purposes in the tenders worth around P13 million. The Authority obtained an Undertaking from Ya Raheem not to engage in such conduct in the future.

• After a tip-off from the DCEC, we uncovered a case of attempted bid-rigging by way of cover-quoting by Landmark Projects (Pty) Ltd and Twinco Enterprises (Pty) Ltd trading as Master Joinery & Aluminium. The two companies, owned by the same person, were used to bid for the same CTO Tender worth around P1.3 million. After CA intervened, the companies were disqualified from the tender. An Undertaking was received from the owner of the two companies to desist from future cartel conduct.

• We also intercepted an attempted bid-rigging calculated to exclude all competitors from participating in a tender for the supply of communication equipment to Botswana Police Service. The bid award resulted in savings of P3.6 million to the Government and brought in a new entrant into the relevant market.

### *In relation to Mergers and acquisitions*

Through merger/takeover reviews, CA increasingly ensures that it facilitates technological and skills transfer by making approvals conditional on foreign acquirers of local firms partnering with Botswana.

These cases have included Ngami Toyota (here in Maun); and Broadhurst Motors (in Gaborone); Master Feeds (in the Poultry industry); and Suashish Diamonds Botswana and Lazare Kaplan Botswana (in the diamond cutting and polishing market). It is estimated that of the 19 merger cases handled in 2013/14, over P700 million was brought into the economy.

About 2,000 new jobs are expected to be created from the implementation of the Bamangwato Concession Limited (BCL) and Pula Steel merger, and 150 new jobs from the implementation of the Lerala Mine and Kimberly Diamond merger (according to the parties’ submission).

- Large shopping malls have an anchor tenant, i.e., a flagship chain store that is used to attract property investment, other noteworthy tenants as well as customers. Anchor tenancy means that other chain stores may not be allowed to set up at a respective mall, including SMEs, without the consent of the anchor tenant. CA intervened at Molapo Crossing Shopping Mall in Gaborone, where anchor tenancy barred even a specialist SME from setting up any small grocer. Since intervention, a small butchery has set up at Molapo Crossing.
- We also dealt with a case in the retail sector where a major retailer exclusively stocked ice-cream from only one supplier. Following an inquiry into the matter, another brand was allowed into this major retailer, raising the level of competition and providing choice to consumers.

### Our Global Competitive Report rankings in relation to Competition

On 'Competition' under the Goods Market Efficiency Pillar, our analysis of the statistics from the Global Competitiveness Reports for 2012/13 and 2013/14 shows that Botswana's rankings on competition indicated below have been declining drastically and require a national concerted approach:

FACTOR	RANKING 2012-2013 (Out of 144 countries)	RANKING 2013-2014 (Out of 148 countries)	LOST RANKING
Intensity of Local Competition	74	93	-19 places
Extent of Market Dominance	70	97	-17 places
Effectiveness of anti-monopoly policy	72	79	-7 places

### What do these figures tell us? And what are we all doing about this?

Our suggested solutions to these questions are not impeccable but we would attempt to include solutions such as the need to intensify the good things we have been doing and explain them in simpler terms and ways.

Further, we need to review, monitor and somehow measure our proactive commitment to the principles of competition and how they inform all our decisions in the private and public sector. To dismiss the figures as mere ill-informed perceptions will still require that we develop strategies to deal with such misconceptions.

Doing Business and Global Competitiveness. We also wish to commend the Government through the Ministry of Trade and Industry for facilitating our first ever presentation to the Permanent Secretaries at their regular PIC Force Meeting on 28th February 2014.

We took the opportunity to explain our mandate and how competition policy and law links into the overall national development cycle.

We also explained how all of us in the civil and/or public service delivery system are required to consciously take charge of our roles as captured in the National Competition Policy (NCP).

As the Competition Authority, we view our role as being two-fold: Firstly, to advocate for knowledge of the law; and secondly, to enforce breaches of the law. The effectiveness of any policy goes beyond the efforts of only one or two institutions but is driven concerted high level national strategies.

We are delighted that the Ministry of Trade and Industry has established a Technical Committee on Competition Policy (TCCP) that reports to the National Committee for Trade Promotion and Negotiations (NCTPN).

Following our presentation to the PIC Force, we have since engaged Government and made some recommendations. The foremost of these is that there is clear need to have 'Competition Policy' as part of a formal high-level national agenda and debate.

### Has our best been good enough?

Evidently, there is more work that still needs to be done. Competition, its policy and law in Botswana require concerted efforts by both the private and public sector actors. While the global rankings show an overall improvement, it is clear that we are slipping in relation to the key competition indicators on the index.

Obviously, this means there is a lot of work for both the Competition Authority and the Competition Commission to play our role as mandated. On the other hand, business is called upon to ensure that they have in-house competition compliance programs to enhance compliance and avoid the costly legal challenges that they may face from the CA.

On the government side, we are optimistic that the ongoing efforts to effectively promulgate the NCP within the Government system will be sustained, as has been the case for corruption, citizen empowerment and procurement policies"

*\*This is an excerpt from the speech delivered by Mr. Kaira at the Third National Competition Conference in Maun on March 13th.*

# Why We Need Competition Law And Policy

“It is a great honour and a pleasure to be here during this 3rd National Stakeholders Competition Conference organised by the Competition Authority of Botswana.

The African continent finds itself at the crux of the history of competition law enactment and enforcement. A decade ago, only a handful of African countries had competition law regimes in place, today there are only a handful that do not. The year 2009 has been a crucial period for both Botswana and Mauritius in the competition law arena.

Botswana passed its competition law in 2009 whilst Mauritian competition law became fully operative. But five years down the line, we can proudly say that we are, together with our neighbouring competition agencies, paving our way to establish our authorities as respected agencies recognised for our integrity, professionalism and contribution to economic growth.

The global trend of adopting competition laws and policies in developing countries, and the admiring effort on the part of Least-Developed Countries, provide an encouraging endorsement of the view that competition is not a luxury reserved for the rich; it is a necessity for the poor! I know the question on your mind today is what are the benefits of competition? Is it worth it? I will start with explaining the benefits of competition first, and then discuss its value to consumers.

## The benefits of competition

Competition is a process of rivalry between firms, each seeking to win customer's business. There are many ways in which this rivalry may occur. Some firms compete on price, others on quality of goods or services whilst others use research skills to develop new products.

When competition is fierce, rivalry ensures that no part of the market remain unexplored. This results in prices being lowered down to an efficient level of costs and a wider choice in products that matches the heterogeneity of consumer needs and tastes, and the rate of innovation will be high.

For many firms vigorous or fierce competition is a mixed blessing. On the one hand, it keeps people working at their best, on the other hand, competing in a very competitive market is hard work and not everyone wants to have a run at full speed all the time.

## What role does competition law and policy play in all this?

Competition law and policy regulate the current or potential power of companies on a certain market, on behalf of public interest. In practice competition law and policy prohibits the execution of restrictive



Ms. Kiran Meetarbhan the Executive Director of the Competition Commission of Mauritius speaking at the Third National Competition Conference in Maun, Botswana

competition practices, the acquisition of a dominant position in the market through the accomplishment of these practices and the abuse of dominant position. The markets in competition produce greater benefits to society than the markets with monopolistic structures.

In a challenging low-growth environment, it becomes even more imperative for our developing economies to ensure the creation of conditions that are favourable to businesses and investors, and that strengthen the ability of domestic companies and entrepreneurs to compete nationally and take their positions in world markets. A good competition policy and law lowers the entry barriers in the market and makes the environment conducive to promoting entrepreneurship and growth of small and medium enterprises.

This has positive implications for development as small business and entrepreneurial activities promote employment growth. Maintaining open and competitive markets across the African continent is critical to build strong players that can operate efficiently and innovatively, and become internationally competitive. A strong and robust competition regime, where competition policy and law is enforced consistently and transparently, is no less than a challenging puzzle for countries but nevertheless remains a critical success factor.

## Benefits to consumers

As enforcers and at times advocates of competition law, we often denote the importance of promoting consumer welfare through the application of competition law. We, as Authorities, carry out our enforcement duties on the presumption that ensuring the maintenance of competition in markets will ultimately benefit consumer welfare. However, the link between consumer welfare and the

practical enforcement of competition law is not always straightforward. In fact, there may be a considerable gap between policy statements and the practical application of our competition laws. It is imperative that we close this gap because consumers remain one of the indubitable and intrinsic participants of competition enforcement and advocacy efforts. I mention here two reasons for saying so:

- Consumers are ultimately the final beneficiaries of strong competition enforcement just as they stand to lose from a lack of competition that has a direct effect on costs, choice and quality. Whether it is a consumer good, a component of an end-product, a complementary service/product used in the manufacture of a consumer good, anti-competitive behaviour along the supply-chain has the potential to impact on costs and quality of the final end-product and thus affect the end-consumers. By boosting public confidence in the ability of competitive markets to deliver better outcomes, consumers feel they are able to engage with the issues raised by competition policy and enforcement;
- By investing our advocacy resources towards informing and educating consumers and businesses about the different aspects of our work, consumers and businesses become the 'eyes and the ears' of our agencies. They help to bring valuable information about potential market failure to the attention of competition agencies. They also help us in understanding markets as consumers are best placed to explain directly how they perceive the impact of a particular action. By understanding the consumer viewpoint, we are better able to have a global view of all the different aspects of the market under consideration when identifying the potential harm of an alleged anticompetitive conduct and when proposing the remedies.”

*\*This is an excerpt from the speech delivered by Ms. Meetarbhan at the Third National Competition Conference in Maun on March 13th.*

# CA Consults Stakeholders on Mergers Assessment and Dominance Guidelines



Participants at the Mergers Assessment and Dominance Guidelines Workshop in Gaborone

The Competition Authority on March 19th hosted a workshop for legal practitioners on Mergers Assessment; and Abuse of Dominance Guidelines. The workshop which was officially opened by the Chief Executive Officer of the CA, Mr. Thula Kaira, was attended by participants from different law firms in and around Gaborone.

In his remarks, Mr Kaira said the Guidelines are a source of good information about some of the critical processes undertaken at the Authority. He thanked the participants for having taken time off their busy schedules to attend the workshop as it provided a good platform for close interaction between the Authority and legal practitioners.

In her presentation, the Director of Mergers and Monopolies, Ms. Magdeline Gabaraane, explained that the mergers assessment process is timely and sensitive, adding that sound decisions depend on reliable and accurate information as well as high levels of cooperation from stakeholders. Ms Gabaraane further explained the process of abuse of dominance investigations and remedies for abuse of dominance conduct.

The Manager of Mergers and Monopolies Mr. Innocent Molalapa briefed the participants on Merger Notifications Applications and Failing Firm Defence. He emphasised the importance of submitting properly completed application forms. He said the processing of an application may take longer if substantial information is missing. Participants were given copies of the two draft guidelines together with assessment timelines.



Participants at the bid-rigging workshop in Gaborone on 20th March in Gaborone

## Government Departments Trained On Preventing And Detecting Bid-Rigging

The Competition Authority is continuing to hold training workshops for various government ministries on detecting and preventing bid-rigging in public procurement. On March 4th the CA hosted a workshop for the Ministries of Youth, Sports and Culture; Trade and Industry, and Local Government.

The workshop was attended by officers who are predominantly in the Ministerial Tender Committees and Procurement Units. Addressing the participants, the Director of Legal and Enforcement, Mr. Duncan Morotsi informed them that as evaluators of tenders, they are given a big responsibility and they must undertake it with the requisite due diligence.

He further explained the tenets of competition law; namely vertical and horizontal agreements, abuse of a dominant position and merger review. He talked about the role of competition law in ensuring that public tenders are devoid of collusion by bidders.

The workshop was very interactive as the participants shared their experiences with respect to tenders that they evaluated and instances where they suspected bid-rigging. They were assured of the CA's advice and assistance concerning bid-rigging issues.

### **DECISION ON THE PROPOSED ACQUISITION OF THE ENTIRE SHARE CAPITAL OF BROADHURST MOTORS (PTY) LTD, NORTHERN TRUCK SERVICES (PTY) LTD AND R & R MOTORS (PTY) LTD BY NTT MOTORS HEIDELBERG (PTY) LTD**

The CA authorised on February 25th conditionally authorised the acquisition of the entire share capital of Broadhurst Motors, Northern Truck Services and R & R Motors by NTT Motors Heidelberg.

The analysis of the facts of the merger assessment showed that there were no substantive competition concerns that would arise in all the markets under consideration, namely: passenger vehicles, light commercial vehicles, medium commercial vehicles, heavy commercial vehicles, workshop repairs, motor parts and accessories, as well as, in the fuel sales market in Botswana.

The proposed transaction was deemed not to result in substantial lessening of competition, nor endanger the continuity of service, due to the absence of geographical overlap between the activities of the merging parties in Botswana. Implementation of the proposed merger was further not expected to result in the merged entity attaining a dominant position, as the transaction was not expected to affect the current market structure.

However the Authority took cognisance of the fact that the proposed acquisition gave rise to public interest concerns under section 59(2)(f) of the Act. The proposed merger took away ownership of local citizens in the target enterprise in that the targeted shares were all being sold to a non-citizen owned enterprise.

Thus taking the public interest concern into consideration, the Authority approved the proposed merger with the conditions that the merged entity should look for citizen partner(s) to purchase some shares in the merged entity; and it should revert to the Competition Authority within 12 months, with a status report regarding the progress made in securing citizen partner(s).



### **DECISION ON THE PROPOSED ACQUISITION OF 100% ISSUED SHARE CAPITAL IN SUASHISH DIAMONDS BOTSWANA (PROPRIETARY) LIMITED BY ARJAV DIAMONDS NV**

The Authority conditionally authorised the proposed transaction as the analysis of the facts of the case showed that there were no substantive competition concerns that would arise in the diamond cutting and polishing market, on account of the proposed transaction in Botswana, given the fact that the proposed transaction was not likely to result in prevention or substantial lessening of competition. The Authority took cognisance of the fact that the proposed transaction did not advance any citizen empowerment initiatives in that the targeted shares were all being sold to a non-citizen owned enterprise and thus gave rise to public interest concerns under section 59(2)(f) of the Competition Act.

Taking the public interest concern and pursuant to the provisions of section 55(a) of the Competition Act, the Authority on February 21st approved the acquisition of 100% issued share capital in Suashish Diamonds Botswana (Pty) Ltd by Arjav Diamonds NV following an undertaking that the merged entity “look for a suitable citizen to become a business partner in the future”.

The merged entity should revert to the Authority within 12 months, with a status report regarding the progress made in securing a citizen partner(s).

### **DECISION ON THE PROPOSED ACQUISITION OF 36.39% ISSUED SHARE CAPITAL IN AGRINET LIMITED BY SUIDWES HOLDINGS (RF) PROPRIETARY LIMITED**

The Authority unconditionally authorised the proposed transaction on grounds that the analysis of the facts of the case have shown that there were no substantive competition concerns that would arise in the wholesale supply and distribution of irrigation products, general merchandise and industrial products to primarily agricultural and hardware retailers market, on account of the proposed transaction in Botswana, given the fact that the proposed transaction was not likely to result in the prevention or substantial lessening of competition, nor endanger the continuity of the service, due to the transaction being an acquisition of additional shares by an existing shareholder with no other business interests in the Botswana market.

Furthermore the market structure was not expected to change post-merger and no threat of abuse of dominant market power was anticipated, post transaction implementation, as defined under section 2 of the Competition Act read together with regulation 4 of the Competition Regulations.

In addition, no significant negative effects on public interest in Botswana were identified in relation to the provisions of section 59 (2). Thus the proposed transaction was approved on February 21st.



CA Football Club aka Kaira's Boys

# Kaira's Boys Demolish South African Competition Commission

In a much anticipated fixture of the year, Kaira's Boys did not disappoint as they walloped South African Competition Commission FC by 4 goals to 2 in a penalty shootout after a 2 all draw in normal time when they locked horns in Pretoria on April 6th.

The game started well with Kaira's Boys monopolising the ball to the extent that the Public Protector thought of initiating an inquiry. Kaira's boys then quickly raced to a first half 2 goal lead courtesy of Mooketsi "Network is Down" Ntwaagae, and Salvador "One Hour" Maruping.

These goals came in after the brilliance and interplaying passes between, Ridwell "I Can get Angry" Moremi, Kesego "Affidavit" Modongo, Innocent "New Merger has Arrived" Molalapata. The boys dominated the match for the entire first half and kept SA Commission boys at bay thanks to the solid and stellar defensive duties of goalkeeper Kamogelo "Ama Vouchers" Ditsele, Keolopile "CEO is out to Parliament" Lekgoanyana and Thabang "The Mall Inquiry" Tlhalerwa.

The second half started like a house on fire with Kaira's Boys picking up where they left off, DCEC had no jurisdiction otherwise what transpired after could have been investigated as the referee allowed the Commission to score 2 goals and equalise the match despite blatant and clear obstructions on defenders Norman "I am Printing Merger Guidelines" Ngubane and Keogile "Retire the Meal Allowance Please" Ntshaanana.

The match levelled at 2 all, the boys went searching for that final and winning goal and on the 83rd minute Morulaganyi "Balance Sheet, Payments and Ledger" Modikwa, found himself with acres of space and only left with the goalkeeper to beat, unfortunately he ballooned his effort over the post. Two minutes later the same situation fell to Othusitse "250 Questionnaires to Deal with" Oletile his effort unluckily hit the post and rebounded out of the pitch.

Nervous as to the waves of attack by Kaira's Boys the SA Commission resorted to time wasting tactics but thanks to the leadership of Ernest "Data Capturing" Bagopi the referee was soon reminded of his proper duties.

As time was fast approaching the 90th minute mark, two clear chances fell to Tonny "Ke Casha Cheque" Kolanyane and Othlathusa "Merchandise" Seforo, with the goalkeeper to beat their efforts went wide by an inch, respectively. The match then went to penalties and Kaira's Boys brimming with confidence converted all their spot kicks to hand a damaging defeat of 4-2 to the SA Commission Boys.

Kaira's Boys clearly went there as underdogs but came out as a force to be reckoned with. They couldn't have done it without their travelling supporters who clearly dominated airwaves in Caledonia Stadium with their high pitched voices and cheers. After this earth-shattering victory the match captain "Network Down" thanked all supporters and CA Management for the unwavering support.

## CA Briefs Tonota Business Community About Its Mandate



Ms. Gladys Ramadi addressing the Tonota business community

The Competition Authority has briefed the business community in Tonota Sub-District about its role and mandate, and that of the Competition Commission. The presentation was made in Tonota at a workshop organised by the Tonota Sub-District Council on April 9.

Briefing the participants, the Manager for Communications and Advocacy, Ms. Gladys Ramadi, said an Economic Mapping Survey which was carried out in 2002 discovered among other things market dominance in the meat, motor vehicle, sugar and beverages industries; franchising and distance selling which tended to exclude local firms, as well as legislation and regulations that hindered competition in the market. She said the survey formed the basis for the National Competition Policy of 2005 which was aimed at assisting the Government and all its agents to ensure fair business opportunities for both local and foreign firms.

Ms. Ramadi said the Competition Act was enacted by Parliament in 2009 establishing the Competition Authority and the Competition Commission, and to provide a set of rules that are conducive to, and responsive to fair competition. The “law applies to private commercial enterprises and commercial activities of the State”, Ramadi pointed out.

She briefed the participants about horizontal and vertical agreements, abuse of dominance and control of mergers as outlined in the Act. She further explained prohibitions under the Act such as price-fixing, bid-rigging, resale price maintenance and market allocation.

Ms. Ramadi also briefed the business community about the benefits of competition such as innovative product delivery, wider choice for consumers and quality products at a reasonable price. “Monopoly markets are slow to innovate and adapt to new ways of doing business”, Ramadi said. She called on the Tonota Sub-district business community to play a role in ensuring a level playing field in the market by informing the CA about transgressions of the Competition Act. She said complaints or inquiries can be made in person at the CA office, telephone, letter, email, or Facebook. “Confidentiality and anonymity are guaranteed”, Ramadi assured the participants.



Participants at workshop for the Tonota business community in Tonota

## SA Competition Commission Raids Unilever SA And Sime Darby Offices



The SA Competition Commission on April 3rd announced that it was conducting a search and seizure operation at the offices of Unilever South Africa (Pty) Ltd in Durban, Kwa-Zulu Natal and Sime Darby Hudson & Knight (Pty) Ltd in Boksburg, Johannesburg.

In a media release it said the search and seizure operation formed part of the Commission’s ongoing investigation into collusive conduct in the markets for the manufacture and supply of edible oils and margarine to wholesale and retail customers.

The Commission said it had reasonable grounds to believe that information relevant to the investigation was in the possession of employees of the two companies.

The Acting Commissioner, Tembinkosi Bonakele said, “The Commission believes that the information that will be obtained from today’s operation will enable the Commission to determine whether or not Unilever SA and Sime Darby have indeed engaged in collusive conduct. However, as part of any investigation, we also wish to urge anyone, be it business or individuals with further information to come forward and assist the Commission in concluding this investigation.”

# COMPETITION AUTHORITY IN PICTURES

## CA Consults Stakeholders on Mergers Assessment Guidelines



### Captions

1. CEO Mr. Thula Kaira welcoming participants to the consultation workshop in Gaborone 2. Director of Mergers and Monopolies Ms. Magdeline Gabaraane 3. The Manager for Mergers and Monopolies, Mr. Innocent Molalapa

## Government Departments Trained On Detecting And Preventing Bid-Rigging



### Captions

1. A PPADB official Mr. Othusitse Motsumi making a presentation 2. An official of the DCEC Mr. Tseladikae presenting at the bid-rigging workshop

## CA And Competition Commission At The 13th ICN Annual Conference In Morocco



### Captions

1. Commissioners Dr. Selinah Peters and Dr. Jay S. Salkin 2. Ms. Tebogo Tyolo and Ms. Kelebogile Ngwenya enjoying a camel ride 3. Tebogo, Dr. Mokubung Mokubung and Kelebogile 4. ACF's Mr. Omar Jobe, Dr. Mokubung, Mr. Ridwell Moremi, Mr. Morulaganyi Modikwa, Kelebogile and Mr. Kesego Modongo in Marrakesh

## CA Briefs Tonota Business Community On Its Mandate



### Captions

1 to 3 Business community at a workshop in Tonota where they were briefed about CA mandate

## CA Reaches Out To Mhalapitsa And Tumasera Communities

The Competition Authority has donated equipment to day care centres in Mhalapitsa and Tumasera as part of its Corporate Social Responsibility initiatives.

The donations to Mhalapitsa Primary School (Reception Class) and Mohau Day Care Centre in Tumasera included books, crayons, mattresses, blankets, floor mats, tables, chairs, and toys. The donations were presented by the Director of Communications and Advocacy Mr. Gideon Nkala and the Manager for Communications and Advocacy Ms. Gladys Ramadi.



### Captions

1. Some children of Mohau Day Care Centre with the donated items 2. Mr. Nkala (left) with the headteacher of Mhalapitsa Primary School 3. Ms. Ramadi (in black) with members of Tumasera VDC and Mohau Day Care Centre teachers 4. Some Teachers at Mhalapitsa Primary School 5. CA vehicle loaded with goodies!

# Kaira's Boys Demolish South African Competition Commission



## Captions

1. CA supporters cheering a goal 2. Kaira's Boys showing their might on the pitch 3. Some SA Competition Commission team members 4. Kaira's Boys strategising

# CA at Diacore Gaborone Marathon



## Captions

1 to 4. CA Staff at the annual Diacore Gaborone Marathon

### HOW TO CONTACT US



### Editorial Team

- GIDEON NKALA:** [gideon.nkala@competitionauthority.co.bw](mailto:gideon.nkala@competitionauthority.co.bw)
- GLADYS RAMADI:** [gladys.ramadi@competitionauthority.co.bw](mailto:gladys.ramadi@competitionauthority.co.bw)
- KELEBOGILE NGWENYA:** [kelebogile.ngwenya@competitionauthority.co.bw](mailto:kelebogile.ngwenya@competitionauthority.co.bw)
- SALVADOR MARUPING:** [salvador.maruping@competitionauthority.co.bw](mailto:salvador.maruping@competitionauthority.co.bw)

**Phone:** +267 3934278

**Fax:** +267 3121013

**Postal:** Private Bag 00101, Gaborone

**Facebook:** Competition Authority Botswana

**Twitter:** @CompetitionBots

Visit the Competition Authority website [www.competitionauthority.co.bw](http://www.competitionauthority.co.bw) where you can download the Competition Act 2009, Competition Regulations 2011, the National Competition Policy 2005 and other documents.