



EXEMPTION DECISION NO 1: 2016

DECISION ON THE APPLICATION FOR AN EXEMPTION FROM THE PROVISIONS OF THE COMPETITION ACT BY CHOPPIES DISTRIBUTION CENTRE (PTY) LTD, PAYLESS SUPERMARKET (PTY) LTD AND WOODBLOCK (PTY) LTD

PURSUANT to section 32(4) of the Competition Act (Cap 46:09), notice is hereby given on the decision made by the Competition Authority in respect of the application for an exemption from the provisions of the Competition Act by Choppies Distribution Centre (Pty) Ltd, Payless Supermarket (Pty) Ltd and Woodblock (Pty) Ltd ("the Parties").

Following the decision of the Competition Authority of 16th September 2014, the Parties lodged an appeal with the Competition Commission on 17th September 2014 requesting it to set aside the decision of the Authority to reject the exemption application. At its hearing of 18th September 2014, the Competition Commission ordered that the Parties institute a referral in accordance with the provisions of the Act, and in particular, that they refer the matter to the Competition Commission in terms of Regulation 14(1) of the Competition Regulations. The Authority was further ordered to place in abeyance paragraph (a) of its decision of 16th September 2014, in particular, until such a time that the Commission determines the referral.

Having agreed to settle the matter without reference to the Commission, the Authority agreed to reconsider the application on grounds of public interest. At its 2nd Special Exemptions Review Committee Meeting held on 16th December 2014, the Competition Authority granted the exemption as it found that the benefits for the public in the form of maintaining employment in Payless Supermarket (Pty) Ltd and Woodblock (Pty) Ltd, had the effect of offsetting the negative effects the Choppies Buying Group would have on competition. Such benefits were seen by the Authority as being directly attributable to the Parties belonging to the Choppies Buying Group.

Pursuant to the provisions of section 32(3) of the Competition Act, the Authority therefore grants the exemption as applied for by the Parties.
The exemption is granted until 30th November 2017.

Dated at Gaborone this 22nd day of July, 2016

Tebelelo Pule, Acting Chief Executive Officer, Competition Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013