

Notice in terms of Section 60(4)(a)(ii) of the Competition Act

PURSUANT to Section 60(4)(a)(ii) of the Competition Act (Cap 46:09) notice is hereby given on the decision made by the Competition Authority in respect of the acquisition of 40% issued share capital in Master Farmer Feeds (Proprietary) Limited by Ross Africa Limited held by Associated Investment Development Corporation (AIDC).

The Authority determined to authorise the proposed transaction on the grounds that the analysis of the facts of the merger assessment showed that there were no substantial competition concerns that will arise in the Poultry Industry, on account of the acquisition of 40% issued share capital in Master Farmer Feeds by Ross Africa held by AIDC, given the fact that:

1. The proposed transaction is not likely to result in substantial lessening of competition, nor endanger the continuity of the service, due to the transaction being an acquisition of additional shares by the majority shareholder; and
2. Though the pre and post-merger market shares of Master Farmer Feeds in the Frozen Processed Chicken and Livestock feeds markets respectively stand at 41% and 50% which are above the dominance threshold of 25%, the continued existence of competitive constraints that will remain in the relevant markets will ensure that rivalry continues to discipline the commercial behaviour of the merged entity.

The Authority also took cognisance of the fact that the proposed acquisition gives rise to public interest concerns under Section 59(2)(f) of the Competition Act. The targeted shares have been owned by a citizen in Master Feeds through AIDC and would now be taken over by a non-citizen owned enterprise.

Taking the public interest concerns and pursuant to the provisions of Section 55 of the Competition Act, the Authority has approved the acquisition of 40% issued share capital in Master Farmer Feeds by Ross Africa Limited with the conditions that:

- a) Ross Africa and Master Farmer Feeds should look for a citizen partner(s) to purchase some if not all the shares previously held by AIDC; and
- b) Ross Africa and Master Farmer Feeds should revert to the Competition Authority within 12 months with a status report regarding the progress made in securing a citizen partner. However, pursuant to the provisions of Section 66 of the Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this transaction must comply with under the Laws of Botswana.

Dated this 25th day of July, 2013

Thula Kaira, CEO, Competition Authority, P/Bag 00101, Gaborone, Plot 50664, Fairgrounds, Tel: 3934278 Fax: 3121013