



## MERGER DECISION NO 3: 2015

### **DECISION ON THE PROPOSED ACQUISITION OF 92.34% SHARES IN PEPKOR HOLDINGS (PTY) LTD BY STEINHOFF INTERNATIONAL HOLDINGS LTD**

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 proposed acquisition of 92.34% shares in Pepkor Holdings (Pty) Ltd by Steinhoff International Holdings Ltd.

The Authority determined to authorise the proposed transaction on the grounds that the analysis of the facts of the case have shown that there were no substantive competition concerns that will arise in the market for retail of mobile airtime, starter packs, data bundles and mobile accessories, on account of the proposed merger in Botswana, given the fact that:

- i) The proposed transaction is not likely to result in substantial lessening of competition, nor endanger the continuity of service, due to the competition constraints that will be posed by network operators in Botswana;
- ii) Similarly, the implementation of the proposed merger is not expected to result in the merged entity attaining a dominant position in the market for retail of mobile airtime, starter packs, data bundles and mobile accessories; and
- iii) No significant negative effect on public interest in Botswana has been identified, in relation to the provision of section 59 (2). The Authority was however hopeful that the merged entity would intensify its participation in the growth of SMMEs in Botswana by outsourcing some jobs to, as well as sourcing from SMMEs in the country.

Pursuant to the provisions of section 55 of the Competition Act, the Authority has approved the proposed merger.

However, as stated under 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 merger must comply with under the Laws of Botswana.

Dated at Gaborone this 27<sup>th</sup> day of February, 2015

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