



MERGER DECISION NO 02: 2017

DECISION ON THE PROPOSED ACQUISITION OF ASSETS AND CESSION OF THE MAIN CONTRACT BELONGING TO 4Ms GROUP HOLDINGS (PTY) LTD BY TRANSPORT 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 acquisition of assets and cession of the main contract belonging to 4Ms Group Holdings (Pty) Ltd by Transport Holdings Ltd.

The Authority determined not to approve the acquisition of assets and cession of the main contract belonging to 4Ms Group Holdings (Pty) Ltd by Transport Holdings Ltd on the grounds that the facts, analysis and conclusions of the assessment have shown that there are competition and public interest concerns that arise in the line haul transportation services market on account of the aforementioned acquisition, in Botswana. The Authority further took cognisance of the fact that:

- i. The proposed transaction is likely to result in reduced competition due to the removal of a competitor in the line haul transportation services market;
- ii. The implementation of the proposed merger is expected to result in the merged entity attaining a dominant position; and
- iii. The proposed transaction is expected to result in retrenchments and citizen disempowerment.

Therefore, pursuant to the provisions of section 60 of the Competition Act, the Authority does not approve the proposed acquisition.

Given the competition and public interest concerns identified in the aforementioned transaction, and the fact that Transport Holdings (Pty) Ltd/Mulbridge Transport (Pty) Ltd is the only other entity apart from 4Ms having a contract with Kgalagadi Breweries (Pty) Ltd that expires in January 2020; Transport Holdings (Pty) Ltd/Mulbridge Transport (Pty) Ltd or any other entity related in anyway with Transport Holdings (Pty) Ltd/Mulbridge Transport (Pty) Ltd is restrained from participating in the tender to be issued by KBL upon the expiry of the existing

4Ms contract with KBL in October 2017, and for the entire period leading up to the end of the Transport Holdings (Pty) Ltd/Mulbridge Transport (Pty) Ltd contract in January 2020, including any extension period that may be granted thereafter.

Dated at Gaborone this 13th day of January 2017.

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