



## **MERGER DECISION NO 05: 2023**

### **Notice in Terms of Section 53(4) (a) (ii) of the Competition Act 2018**

#### **MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF ASSETS OF WALGREEN INVESTMENTS (PROPRIETARY) LIMITED BY THATO BAETI (PROPRIETARY) LIMITED**

##### **Introduction of the Merging Parties**

- i. Pursuant to Section 53(4)(a)(ii) of the Competition Act 2018 (“the Act”), notice is hereby given on the decision made by the Competition and Consumer Authority (“the Authority”) in respect of the proposed acquisition of assets of Walgreen Investments (Pty) Ltd (“Walgreen”) by Thato Baeti (Pty) Ltd (“Thato Baeti”). The transaction was notified to the Authority on 17<sup>th</sup> February 2023 and the merger assessment was completed on 22<sup>nd</sup> March 2023.
- ii. The Acquiring Enterprise, Thato Baeti (Pty) Ltd is a company incorporated in accordance with the Laws of the Republic of Botswana. Thato Baeti (Pty) Ltd is wholly owned by Mr. Thato Baeti and it is a start-up company specifically constituted for this acquisition.
- iii. The Target Enterprise, Walgreen, is a company incorporated under the Laws of the Republic of Botswana. Walgreen Investments (Pty) is wholly owned by Mr. Patrick Kediretswe Balopi. Walgreen directly or indirectly controls Eros Commodities (Botswana) (Pty) Ltd and Organic Fertilizer Manufacturers Botswana (Pty) Ltd. Walgreen is in the business of buying and selling cattle and cattle products including meat, carcasses etc.

##### **Relevant Markets**

- iv. Thato Baeti (Pty) Ltd is a start-up company specifically constituted for this acquisition. Walgreen's relevant market is the buying, feeding and of selling beef cattle, and trade in beef products including meat, carcasses and processed meat. It is worth noting that Walgreen Investments (Pty) Ltd.'s market share is currently estimated at 0% because the company effectively ceased trading in June 2021. However, when it did trade, the company faced competition from renowned and

well established players and licensed export abattoirs as well as numerous other feed lot businesses across the country.

### **Competitive Analysis and Public Interest**

- v. The Authority has not established any substantial lessening of competition concerns arising due to the absence of product overlap in the activities of the merging parties. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest that was identified as per the provisions of section 52(2) of the Competition Act 2018.

### **The Determination**

- vi. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of assets of Walgreen Investments (Pty) Ltd by Thato Baeti (Pty) Ltd.
- vii. However, as stated under Section 61 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 on this 22<sup>nd</sup> day of March 2023.

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