



MERGER DECISION NO 06: 2023

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

DECISION ON THE ASSESSMENT OF THE PROPOSED SALE AND PURCHASE OF CERTAIN IMMOVABLE PROPERTIES, BEING LOTS 1298 AND 1299 IN GHANZI BY BOTSWANA PUBLIC OFFICERS PENSION FUND FROM CHELFORD LIMITED

Introduction of the Merging Parties

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 relation to the proposed sale and purchase of certain immovable properties, being Lots 1298 and 1299 in Ghanzi by Botswana Public Officers Pension Fund ("BPOPF") from Chelford Limited ("Chelford"). The transaction was notified to the Authority on 3rd March 2023, and the merger assessment was completed on 11th April 2023.

The Acquiring Enterprise, BPOPF, is a pension fund registered under the Retirement Funds Act 2022, for public service employees. The BPOPF manages and administers pensions and other benefits for government employees. In doing so, it invests in various classes of assets including equity, property and fixed income. Amongst others, the Acquirer has a property investment vehicle, Letsema Property Fund through which the Proposed Transaction will take place. The acquired assets will be managed by Messidor Investment as a Property Asset Manager.

The Selling Enterprise, Chelford, is a company incorporated under the Laws of Botswana. Chelford is in the business of leasing and managing commercial, industrial and retail property, with presence in Gaborone, Francistown, Maun, Ghanzi, Lethakane and Kazungula.

Relevant Markets

In terms of the relevant markets, the assessment of the Proposed Transaction revealed that there is a horizontal overlap in the activities of the Merging Parties, as both the acquiring and the target enterprises are engaged in the provision of rental and management services of commercial, industrial and retail properties. The Authority's findings indicated that the Acquiring Entity through its property investment vehicle has portfolio of properties in Gaborone and Francistown only, while the Target Enterprise has properties in Gaborone, Francistown, Maun, Lethakane, Kazungula and Ghanzi.

This therefore means there is lack of geographical overlap in the activities of the merging parties in Ghanzi, Maun, Letlhakane and Kazungula. It is worth mentioning that the transaction is taking place in Ghanzi and as such, the geographical market will be limited to Ghanzi.

Competitive Analysis and Public Interest

The Authority's assessment did not reveal any substantial lessening of competition concerns that would arise as a result of the Proposed Transaction due to the absence of geographical overlap in the activities of the Merging Parties in Ghanzi. Accordingly, the Authority does not anticipate any competition concerns and public interests concerns to arise in the relevant market in Botswana post-merger.

The Determination

The Authority determined through the analysis of the facts of the merger, that the Proposed Transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service, in the relevant market in Botswana. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest in Botswana that has been identified in relation to the provisions of the section 52 of the Competition Act 2018

Pursuant to the provision of section 53 of the Act, the Authority has decided to *unconditionally approve* the proposed sale and purchase of certain immovable properties, being Lots 1298 and 1299 in Ghanzi by Botswana Public Officers Pension Fund from Chelford Limited.

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 11th day of April 2023.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,
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