



## MERGER DECISION NO 06: 2024

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

#### **DECISION ON THE ASSESSMENT OF THE PROPOSED SALE AND ACQUISITION OF PORTION 1666 (A PORTION OF 1619, WHICH IS IN TURN A PORTION OF PORTION 3) OF THE FARM FOREST HILL NO.9-KO, SITUATED IN MMOKOLODI, FROM ROYAL EMPRESS (PTY) LTD BY THE FAR PROPERTY COMPANY LTD.**

#### **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 respect of the proposed sale and acquisition of portion 1666 (a portion of 1619, which is in turn a portion of portion 3) of the Farm Forest Hill No.9-KO, from Royal Empress (Pty) Ltd ("Royal Empress or the Target Enterprise") by The Far Property Company Ltd ("The Far Property or the Acquiring Enterprise"). The Transaction was notified to the Authority on 22<sup>nd</sup> February 2024, and the merger assessment was completed on 18<sup>th</sup> March 2024.

The Acquiring Enterprise, The Far Property, is a public company listed on the Botswana Stock Exchange. Its majority shareholders with 5% or more are Ramachandran Ottapathu, Farouk Ismail, Botswana Public Officers' Pension Fund and SCBN BPOPF Local Equity.

The Target Enterprise, Royal Empress is a company incorporated in accordance with the Laws of Botswana. It is wholly controlled by JB Sports Holdings (Pty) Ltd, which is in turn controlled by Ramachandran Ottapathu, Rajesh Karunakaran Nair and Vidya Sanooj.

#### **Relevant Market**

The Acquiring Enterprise is a real estate development and asset management company located in Botswana. It owns about 173 properties in Botswana and South Africa, the majority of them being warehouses and shopping centres where most of the Choppies Supermarkets operate. On the other hand, the Target Enterprise is a real estate management company, and currently has only one property under its property portfolio, being portion 1666 (a portion of 1619) (a portion of portion 3) of the Farm Forest Hill No.9-KO, situated in Mmokolodi (*the property being sold*).

It should be noted that the the activities of the Merging Parties overlap in the real estate management market in Botswana post-merger. However, the Proposed Transaction is not expected to significantly alter the market structure post implementation, as the Target is an insignificant player in the relevant market. Furthermore, there is effective remaining competition post- merger in that the relevant market is vested with diverse players from individuals to companies. The Authority does not anticipate any competition concerns to arise in the relevant market in Botswana post-merger.

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

The Authority has established that the Proposed Transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market of leasing out commercial space in real estate. Furthermore, the proposed merger will not have any negative effect on public interest matters in Botswana as per the provisions of section 52(2) of the Competition Act 2018.

### **The Determination**

Pursuant to the provision of section 53 of the Competition Act 2018, the Authority has decided to unconditionally approve the proposed sale and acquisition of portion 1666 (a portion of 1619, which is in turn a portion of portion 3) of the Farm Forest Hill No.9-KO, situated in Gaborone (near Kgale), from Royal Empress (Pty) Ltd by The Far Property Company Ltd.

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 19<sup>th</sup> day of March 2024.

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