



## MERGER DECISION NO 09: 2024

### 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 LOT 22147, GABORONE BY MERLE INVESTMENTS (PTY) LTD FROM ZAMBEZI MOTORS (PTY) 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 purchase of Lot 22147, Gaborone by Merle Investments (Pty) Ltd ["Merle Investments or the acquiring enterprise"] from Zambezi Motors (Pty) Ltd ["Zambezi Motors or the target enterprise"]. The transaction was notified to the Authority on 9<sup>th</sup> April 2024, and the merger assessment was completed on 29<sup>th</sup> April 2024.

The acquiring enterprise, Merle Investments, is a company incorporated under the Laws of Botswana. It is controlled equally by Imtiaz Mahomed Iqbal and Mahomed Iqbal.

The selling enterprise, Zambezi Motors, is a company incorporated in accordance with the Laws of Botswana. Zambezi Motors, is wholly controlled by Ishmael Nshakazhogwe.

#### **Relevant Market**

The acquiring enterprise is in the business of property leasing; and currently owns a commercial property namely, Times Square, Lot 134 Independence Avenue in Gaborone. This property is an office spaced leased to tenants. On the other hand, the selling enterprise is in the business of sales, service and maintenance of vehicles through VW truck; Northern Center F/Town, Buses Center and Peugeot Botswana. Zambezi Motors also has an investment in property business which features properties in the form of Zambezi Towers, Zambezi House, Galleria Hotel, Tsb Game Farm and Lot 22147, situated in Gaborone West Industrial (*the Property being sold*). The Property being sold is a commercial property used as a car showroom and service area.

In light of the above, the proposed transaction gives rise to a horizontal overlap in that, the merging enterprises are commercial property companies that own property for rental income. However, it is worth noting that the acquiring enterprise has only one property under its portfolio.

It can therefore be concluded that the acquiring entity is a small player in the commercial property market in Gaborone. As such, the identified overlap will make an insignificant change in the real estate market structure in Gaborone due to the size of the acquiring enterprise. Therefore, no competition concern is expected to rise as result of the merger post implementation. In addition, the relevant market is characterised by myriad players, both at individuals and company levels who will pose competitive constraints to the merged entity 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 purchase of Lot 22147, Gaborone by Merle Investments (Pty) Ltd from Zambezi Motors (Pty) 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 29<sup>th</sup> day of April 2024.

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