



## **MERGER DECISION NO 1: 2015**

### **DECISION ON THE PROPOSED ACQUISITION OF THE ENTIRE BUSINESS OF MULBRIDGE TRANSPORT (PTY) LTD BY TRANSPORT HOLDINGS LIMITED**

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 proposed acquisition of the entire business of Mulbridge Transport (Pty) Ltd by Transport Holdings Limited.

The Authority determined to conditionally authorise the proposed transaction. Firstly, the analysis of the facts of the merger assessments showed that there were no substantial competition concerns that will arise in the market for consolidation transportation services in Botswana, given the fact that:

- i. The proposed transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service, due to sufficient post-merger competitive constraints posed by other competitors such as Value Logistics and GMR Freights; and
- ii. The implementation of the proposed merger is not expected to result in the merged entity attaining a dominant position.

Secondly, the Authority took cognisance of the fact that the proposed transaction gives rise to public interest concerns under section 59(2) of the Competition Act. The proposed merger is expected to result in seven unskilled employees being retrenched.

Taking the public interest concern and pursuant to the provisions of section 55 of the Competition Act of Botswana, the Authority approved the proposed acquisition with conditions that:

- (a) The merged entity should ensure that proper procedures are followed in line with the labour laws of Botswana to ensure that every employee receives the due severance benefits and wherever reasonably possible they will endeavour to create employment for the concerned employees by negotiating with their suppliers and customers; and

- (b) The merged entity should revert to the Competition Authority within 12 months, with a status report regarding the status of the concerned employees.

However, as stated under section 66 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 this 9<sup>th</sup> day of February, 2015

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