



MERGER DECISION NO 10: 2022

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

DECISION ON THE PROPOSED ACQUISITION OF 100% EQUITY IN MR CAR WASH (PTY) LTD AND WOOD WORLD (PTY) LTD, COLLECTIVELY, STORAGE SOLUTIONS BY BONA LIFE INSURANCE (PTY) LTD

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 100% equity in Mr Car Wash (Pty) Ltd ["Mr Car Wash"] and Wood World (Pty) Ltd ["Wood World"] (collectively "Storage Solutions") by Bona Life Insurance (Pty) Ltd ["Bona Life"]. The transaction was notified to the Authority on 28th February 2022, and the merger assessment was completed on 7th April 2022.
- ii. The Acquiring Enterprise, Bona Life, is a company incorporated in accordance with the Laws of the Republic of Botswana. Bona Life is a 100% subsidiary of Foudello (Pty) Ltd ["Foudello"], a wholly owned subsidiary of Botswana Opportunity Partnership ("BOP"), which is in turn wholly controlled by Botswana Public Officers Pension Fund ("BPOPF"). These companies are registered in Botswana. BPOPF is a pension fund for public service employees registered under the Pension Fund and Provident Funds Act. BOP is a Special Purpose Vehicle of BPOPF, which is set to acquire, hold and dispose of investments. BOP has a stake in Foudello, which in turn is a holding company of Bona life.
- iii. The Target Enterprises, Mr Car Wash (Pty) Ltd and Wood World (Pty) Ltd collectively, ("Storage Solutions"), are incorporated in accordance with the Laws of the Republic of Botswana. Storage Solutions is wholly controlled by Capital Management Botswana Fund 1 (Pty) Ltd [CMBF1], a subsidiary of Capital Management Botswana ("Pty") Ltd [CMB]. These are Botswana based companies, which are under liquidation.

Relevant Markets

- iv. In terms of the relevant markets, the assessment of the Proposed Transaction revealed that there is no product overlap in the activities of the Merging Parties in Botswana. In that the Acquirer offers long-term insurance products to retail clients,

while the Target Entities provide storage facilities for long-term and short-term warehousing space in Gaborone West-Industrial and Block 10, Gaborone.

Competitive Analysis and Public Interest

- v. 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 product overlap in the activities of the Merging Parties in Botswana. Accordingly, the Authority does not anticipate any public interests concerns to arise in the relevant market in Botswana post-merger.

The Determination

- vi. 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 identified, in relation to the provisions of the section 52 of the Competition Act of 2018.
- vii. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to *unconditionally approve* the proposed acquisition 100% equity in Mr Car Wash (Pty) Ltd and Wood World (Pty) Ltd (collectively "Storage Solutions") by Bona Life Insurance (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 21st day of March 2022.

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