



MERGER DECISION NO 13: 2022

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

DECISION ON THE PROPOSED ACQUISITION OF 49% OF THE ISSUED SHARE CAPITAL OF MINNOVA (PTY) LTD BY MR NALAMALAPU ANJI REDDY

Introduction of the Merging Parties

- i. Pursuant to section 53(4)(a)(ii) of the Competition Act of 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 49% of the issued share capital of Minnova (Pty) Ltd ("Minnova") by Mr Nalamalapu Anji Reddy ("Mr Nalamalapu"). The transaction was notified to the Authority on 21st March 2022 and the merger assessment was completed on 22nd April 2022.
- ii. Mr Nalamalapu, the Acquirer, is a citizen of Botswana. He wholly owns Shamiz (Pty) Ltd and Montenary Investments (Pty) Ltd which trades in the petroleum retail sector in Tlokweng and Gaborone respectively. In addition, he holds shares in various enterprises operating in the petroleum retail sector across Botswana.
- iii. Minnova, the Target Enterprise, is incorporated in accordance with the Laws of the Republic of Botswana. The Target Enterprise is wholly owned by Mr Verily Keadumela Tebele. The Target Enterprise trades in the petroleum retail sector. Specifically, it operates an Engen branded petroleum service station in Tsholofelo East, Gaborone.

Relevant Markets

- iv. The Acquirer operates in the petroleum retailing market across Botswana while the Target Enterprise operates in the same market at Tsholofelo East in Gaborone. Thus, the relevant product market is defined as the petroleum retailing market. The geographical market definition is however, left open as proximity to fuelling stations can depend on different factors such as place of work, residence and wherever a customer may find themselves as they travel. However, the Acquirer does not have a petrol service station in the same geographical location as the Target Enterprise being Tsholofelo East.

Competitive Analysis and Public Interest

- v. The Authority notes that there exists overlap in the activities of the merging parties in the relevant market. However, petroleum service stations trade in a largely homogenous product and the sector is also regulated. Thus, the Authority did not establish any substantial lessening of competition concerns arising from the merger. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effect on public interest that was identified as per the provisions of section 52(2) of the Competition Act.

The Determination

- vi. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of 49% of the issued share capital of Minnova (Pty) Ltd by Mr Nalamalapu Anji Reddy.
- vii. 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 22nd day of April 2021.

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