



MERGER DECISION NO 18: 2022

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

DECISION ON THE PROPOSED ACQUISITION BY MR PRICE GROUP LIMITED OF SOLE CONTROL OF BLUE FALCON 188 TRADING PROPRIETARY LIMITED.

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 by Mr Price Group Limited ("Mr Price") of sole control of Blue Falcon 188 Trading Proprietary Limited (trading as Studio 88 Group) and hereinafter referred to as ("Studio 88"). The transaction was notified to the Authority on 3rd May 2022 and the merger assessment was completed on 22nd June 2022.
- ii. Mr Price, the Acquiring Enterprise, is a public company listed on the Johannesburg Stock Exchange and registered in accordance with the Laws of the Republic of South Africa. The shares of Mr Price are widely held and freely traded. No firm directly or indirectly controls Mr Price. In Botswana, the Acquiring Enterprise controls Mr Price Botswana Proprietary Limited ("Mr Price Botswana").
- iii. Mr Price Botswana operates through the following retail store brands in Botswana:
 - (a) Mr Price (Apparel) (15 stores): Mr Price (Apparel) sells fashion-value apparel, footwear, accessories, cosmetics and ancillary products such as mobile phone handsets and airtime. The majority of the goods are 'own brand' or 'private label' like RT, Project, RED and Oakridge;
 - (b) Miladys (4 stores): Miladys sells moderate, private label feminine women's smart and casual fashion apparel, intimate wear, footwear and accessories;
 - (c) Mr Price Sport (2 stores): Mr Price Sport sells sporting goods comprising equipment and technical apparel for fitness and sports activities. The store trades in brands such as: Maxed, Maxed Elite and Maxed Terrain which are private label brands;

(d) Mr Price Home (4 stores): Mr Price Home is a mass market homeware retailer that sells a range of private label contemporary homeware and furniture; and

(e) Sheet Street (8 stores): Sheet Street is a homeware store offering a wide range of private label core and fashion products across the bedroom, living room and bathroom.

iv. Studio 88, the Target Enterprise, is a company incorporated in accordance with the Laws of the Republic of South Africa. In Botswana, Studio 88 controls The Branded Clothing Company (Pty) Ltd ("Studio 88 Botswana"). Studio 88 Botswana operates the following stores in Botswana:

(a) Studio 88 (9 stores) the flagship chain of the Studio 88 group focused on branded sports and leisure lifestyle apparel;

(b) Side Step (5 stores) a fashion footwear division specialising in branded footwear; and

(c) Skipper Bar (3 stores) selling men's classic branded sports and leisure lifestyle and fashion apparel and footwear.

Relevant Markets

v. Mr Price is involved in the retail of own brand/private label fashion-value apparel (sporting and fashion apparel), footwear, accessories, and homeware. On the other hand, Studio 88 Botswana retails internationally branded sporting, leisure and lifestyle brands.

vi. The relevant market definition is thus defined as the market for retailing of apparel/clothing, footwear and accessories in Botswana.

Competitive Analysis and Public Interest

vii. The Authority established that there exists an overlap in the activities of the merging parties in the relevant market. However, there exists enough competition in the market to discipline the behaviour of the Merged Enterprise. 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, 2018.

The Determination

- viii. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition by Mr Price Group Limited of sole control of Blue Falcon 188 Trading Proprietary Limited.
- ix. 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 June 2022.

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