



MERGER DECISION NO 2: 2015

DECISION ON THE PROPOSED ACQUISITION OF THE CORRUGATED PACKAGING AND TISSUE BUSINESS DIVISIONS OF NAMPAK BY ETHOS FUND VI

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 corrugated packaging and tissue business divisions of Nampak by Ethos Fund VI.

The Authority determined to authorise the proposed transaction on grounds that the analysis of the facts of the case have shown that there were no substantive competition concerns that will arise from the proposed transaction, 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 the absence of product and geographic overlaps between the activities of the merging parties in Botswana;
- ii) Similarly, the implementation of the proposed merger is not expected to result in the merged entity attaining a dominant position, as the transaction is not expected to affect the current market structure; and
- iii) No significant negative effect on public interest in Botswana has been identified, in relation to the provisions of section 59(2). The Authority was however hopeful that in future, Nampak could consider identifying products within their value chain that may be manufactured or assembled in Botswana in order to assist in technological transfer and industrial growth in Botswana.

Pursuant to the provision of section 55 of the Competition Act, the Authority has approved the proposed merger.

However, as stated under section 66 of the Act, these approvals do 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 9th day of February, 2015

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