



MERGER DECISION NO 20 OF 2023

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

DECISION ON THE ASSESSMENT OF THE PROPOSED SALE AND PURCHASE OF LOT 8843, GABORONE FROM FINANCE HOUSE (PTY) LTD BY GUANTICO HOLDINGS (PTY) LTD

Introduction of the Merging Parties

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 relation to the proposed sale and purchase of Lot 8843, Gaborone from Finance House (Pty) Ltd ("Finance House or the Target Enterprise") by Guantico Holdings (Pty) Ltd ("Guantico Holdings or the Acquiring Enterprise"). The transaction was notified to the Authority on 25th May 2023, and the merger assessment was completed on 20th June 2023.

The Acquiring Enterprise, Guantico Holdings, is a company incorporated in accordance with the Laws of Botswana; and it is wholly owned by Associated Investment and Development Corporation (Pty) Ltd ("Associated Investment"). Associated Investment is a Botswana registered company owned and controlled equally by Abdul Satar Dada ("Satar Dada") and Yusuf Dada, both Botswana individuals. Guantico Holdings is in the business of Property Holding.

Associated Investments and Satar Dada have other business interests in Botswana through various companies in sectors including but not limited to car dealings, poultry, property investment, management services, printing services, stationery and shopping mall.

The Target Enterprise, Finance House, is a property leasing company wholly controlled by Leno Holdings (Pty) Ltd ["Leno Holdings"]; both companies are incorporated in accordance with the Laws of Botswana. Finance House owns Lot 8843 in Gaborone Administrative District, (the Property being sold) also known as Finance House. The Property currently is provisionally tenanted on two floors.

Relevant Markets

The Acquiring Enterprise is a property holding; and currently it does not own any property as it is a new entrant in the market. Therefore, the Property being sold will

be the first property under its portfolio. It is worth highlighting that though the shareholders of the Acquirer being, Associated Investments and Satar Dada have business interests in various sectors in Botswana as alluded above. None of these businesses competes with the Target Enterprise. On the other hand, Target Enterprise, is in the market for property leasing with only one property being, Lot 8883 also known as Finance House (*the Property being sold*).

It is concluded that there is absence of product overlap in the activities of the Merging Parties. However, in view of the nature of the business offered by the Target Entity in the merger under assessment, the relevant market is defined as *commercial property leasing in Gaborone* (the only place where the Target Firm is operational).

Competitive Analysis and Public Interest

The Authority has not established any substantial lessening of competition concerns arising due to the absence of product overlap in the activities of the merging parties. 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

Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed sale and purchase of Lot 8843, Gaborone from Finance House (Pty) Ltd by Guantico Holdings (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 20th day of June 2023.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,
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