



## **MERGER DECISION NO 26: 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 THE ENTIRE SHARE CAPITAL AND CERTAIN LISTED ASSETS FROM SILVERLINE INVESTMENTS (PTY) LTD BY AFRICAN MOBILITY INVESTMENTS (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 the entire share capital, and certain listed assets from Silverline Investments (Pty) Ltd (“Silverline Investments”) by African Mobility Investments (Pty) Ltd (“African Mobility”). The Proposed Transaction was notified to the Authority on 8<sup>th</sup> June 2023 and the merger assessment was completed on 21<sup>st</sup> August 2023.

The Acquiring Enterprise, African Mobility investments, is a company incorporated in accordance with the Laws of South Africa. It has presence in Botswana through its South African based subsidiary, TiAuto Investments (Pty) Ltd (“TiAuto Investments”).

The Target Enterprise, Silverline Investments, is a company incorporated in accordance with the Laws of Botswana; and it is controlled by Ryaz Arbi, Khalil Arbi, and Mohamed Fayaz Arbi (all Batswana). Silverline Investments trades as Tiger Wheels & Tyre.

##### **Relevant Markets**

The Acquiring Enterprise is active in Botswana through its subsidiary TiAuto Investments which supplies tyres, batteries, and accessories from South Africa to Botswana customers including the Target Enterprise. On the other hand, the Target Entity is in the business of the sale of automotive accessories, tyres and batteries to individual and retail customers in Botswana. It is worth noting that the Target Firm sources the products from various suppliers including the subsidiary of the Acquirer.

It can be concluded that there exists pre-merger vertical relationship between the Acquiring Entity through its subsidiary and the Target Firm; which will ultimately

result in TiAuto Investments being present at both upstream and downstream levels of the relevant market post-merger. It is submitted that post-merger, TiAuto Investments shall continue to supply all the entities it currently supplies in Botswana. Furthermore, there is no intention to withdraw its services to other entities nor limit its services in any way. Finally, there is no supplier appointed as an exclusive distributor of a specific tyre brands in Botswana. Conversely, in Botswana anyone with an import permit can purchase any brand in South Africa or anywhere else and sell it.

In light of the above, the merger is not expected to alter the market structure post implementation. As such, the Authority does not anticipate any competition concerns to arise in the relevant market in Botswana post-merger

### **Competitive Analysis and Public Interest**

The Authority has not established any substantial lessening of competition concerns arising from the Proposed Transaction. 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 the entire share capital, and certain listed assets from Silverline Investments (Pty) Ltd by African Mobility Investments (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 21<sup>st</sup> day of August 2023.

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