



MERGER DECISION NO 31: 2022

MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF LOT 75955, GABORONE FROM RIC DEVELOPMENT BOTSWANA (PROPRIETARY) LIMITED BY KENSAL RISE (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 of Lot 75955 (located at Sarona City Estate), Gaborone from RIC Development Botswana (Proprietary) Limited ("RIC Development") by Kensal Rise (Proprietary) Limited ("Kensal Rise"). The transaction was notified to the Authority on 27th September 2022 and the merger assessment was completed on 12th October 2022.
- ii. RIC Development, the Target Enterprise, is a company incorporated in accordance with the Laws of the Republic of Botswana. The Target Enterprise's core business is to develop or construct and manage commercial and residential property sites. RIC Development also undertakes infrastructural servicing of land to create serviced residential plots for sale. The Target Enterprise is jointly controlled by Wang Hongbo and Jiao Jun who are both Chinese nationals

Relevant Markets

- iii. Both the Acquiring enterprise and the Target enterprise earn rental income from property investment, as such the Authority established a horizontal overlap in the activities of the Merging Parties. Accordingly, the relevant market is defined as the market for property investment in Gaborone.

Competitive Analysis and Public Interest

- iv. Although there is an existence of an overlap in the activities of the Merging Parties, the Authority does not expect the merger to significantly alter the structure of the relevant market. In addition, there exists a number of other properties in Gaborone, owned by diverse individuals and institutions that will exert a competitive restraint on the Merged Enterprise

- v. Thus, the Authority has not established any substantial lessening of competition concerns arising from the merger. Furthermore, there will be no acquisition of market dominance post-merger; nor any negative effect on public interest identified, as per the provisions of section 52(2) of the Competition Act 2018.

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 Lot 75955, Gaborone from RIC Development Botswana (Proprietary) Limited by Kensal Rise (Proprietary) Limited
- 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 12th day of October 2022.

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