



MERGER DECISION NO 31: 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 KGALE PHASE 2 PORTION, SITUATED ON THE FARM FOREST HILL NO.9-KO, FROM THE ROMAN CATHOLIC CHURCH BY RIC DEVELOPMENT BOTSWANA (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 respect of the proposed sale and purchase of Kgale Phase 2 Portion, situated on the Farm Forest Hill No.9-KO, from the Roman Catholic Church (Pty) Ltd ["the Roman Catholic"] by RIC Development Botswana (Pty) Ltd ["RIC Development Botswana"]. The transaction was notified to the Authority on 12th January 2023, and the merger assessment was completed on 11th September 2023.

The Acquiring Enterprise, RIC Development Botswana, is a company incorporated under the Laws of Botswana. It is a property development company with a focus on commercial and residential property sites.

The Target Enterprise, the Roman Catholic Church, is incorporated as a Church under the Laws of Botswana. The Church owns undeveloped land in and around Gaborone, focused on leasing the same to investors for development.

Relevant Markets

In terms of the relevant markets, the assessment of the Proposed Transaction revealed that the Acquiring Enterprise's core business is the development, or construction and management of commercial and residential property sites. It also carries out infrastructural servicing of land with a view to create serviced residential plots for sale, as well as developing multi-family residential homes. RIC Development Botswana has developed a place called Sarona City in the Tsholofelo (Broadhurst) area of Gaborone where there is a shopping mall and residential apartments for sale and rental.

On the other hand, the Target Enterprise's has established a property portfolio focused on leasing its land to investors for development with a view to supporting

its non-profit church activities. The Church properties include Kgale Phase 2 Portion, situated on the Farm Forest Hill No.9-KO (*the Property being sold*).

In light of the above it is concluded that from the broader perspective the proposed transaction presents no horizontal overlap as the Acquiring Enterprise buys land for property development, while the Target Enterprise, owns undeveloped land which they lease for development.

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. Accordingly, the Authority does not anticipate any competition concerns and public interest concerns to arise in the relevant market in Botswana post-merger.

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 Kgale Phase 2 Portion, situated on the Farm Forest Hill No.9-KO, from the Roman Catholic Church (Pty) Ltd by RIC Development Botswana (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 11th day of September 2023.

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