



MERGER DECISION NO 33: 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 CERTAIN IMMOVABLE PROPERTY BEING, LOT 22126, GABORONE FROM BONANZA EQUIPMENT (PTY) LTD BY GIFTED SUCCESS (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 certain immovable property being, Lot 22126, Gaborone, from Bonanza Equipment (Pty) Ltd ("Bonanza Equipment") by Gifted Success (Pty) Ltd ("Gifted Success"). The transaction was notified to the Authority on 28th July 2023, and the merger assessment was completed on 13th September 2023.

The Acquiring Enterprise, Gifted Success, is a company incorporated in accordance with the Laws of Botswana. It is wholly owned by Ananda Padmanabhan Rangaswamy, a Motswana. The Acquiring Enterprise does not directly or indirectly control nor controlled by any Entities in Botswana.

The Target Enterprise, Bonanza Equipment, is a company incorporated in accordance with the Laws of Botswana. It is owned and controlled equally by Pankajkumar Barot and Gaurang Dalia (both Botswana). The Target Enterprise does not directly or indirectly control nor controlled by any Entities in Botswana.

Relevant Markets

The Acquiring Enterprise is a property investment company, and owns commercial properties in Gaborone and Palapye, residential property in Gaborone, and a farm in a place in the Molepolole area. On the flipside, the Target Enterprise, is in the business of manufacturing and dealing of kitchen, bakery, laundry equipment, shelving, shop fitters and mechanical contractors. It also has two (2) industrial properties under its portfolio being, Lot 22126, Gaborone West Extension 14, Gaborone (*the Property being sold*); and Lot 4589 in Tlokweng leased to Baytown Investments (Pty) Ltd.

In light of the, there is horizontal overlap in the activities of the Merging Parties as they are both active in Botswana's property market. This market is characterised by myriad of players in the form of companies and individuals, with an ability to impose a competitive constraint to the Merging Parties post-merger.

Analysis and Public Interest

The Authority has established an overlap in activities of the Merging Parties. However, the analysis and facts of the case has revealed that there will be insignificant change in the relevant market due to minimal product overlap. It is therefore not anticipated that the transaction would change the competitive incentives of the merging parties, their rivals and their customers; thus leading to changes in the intensity of competition. Furthermore, it is imperative to highlight that the market under consideration is highly contestable with diverse individuals and larger entities offering a strong competitive constraint in the market. On this basis, the Authority does not expect the transaction to give rise to any substantial lessening of competition or to restrict trade or the provision of service or to endanger the continuity of supplies or service in the relevant market in Botswana.

Furthermore, the proposed merger will not have any negative effect on public interest matters in Botswana 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 2018, the Authority has decided to unconditionally approve the proposed sale and purchase of certain immovable property being, Lot 22126, Gaborone, from Bonanza Equipment (Pty) Ltd by Gifted Success (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 13th day of September 2023.

Nomathemba Dladla, Acting Chief Executive Officer, Competition and Consumer Authority, P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013.