



## MERGER DECISION NO 35: 2016

### **DECISION ON THE PROPOSED ACQUISITION OF 100% OF THE ISSUED SHARE CAPITAL IN BOTH TYREPRO BOTSWANA (PTY) LTD T/A DUNLOP TYRE SERVICES AND FOX (PTY) LTD T/A TYRE MART BY HARSHADKUMAR PATEL, THE PRINCIPAL CONTROLLER AND SHAREHOLDER OF THE MOTOVAC GROUP OF COMPANIES.**

PURSUANT to section 60(4)(a)(ii) of the Competition Act (Cap 46:09), notice is hereby given on the decision made by the Competition Authority ("the Authority") in respect of the proposed acquisition of 100% of the issued share capital in Fox (Pty) Ltd and Tyrepro Botswana (Pty) Ltd by Harshadkumar Patel, the principal controller and shareholder of the Motovac Group of companies.

At its 87<sup>th</sup> Mergers Review Committee Meeting held on 22<sup>nd</sup> December 2016 at 10:00 hours, the Authority considered the merger assessment report, as well as subsequent communications regarding the said notification. The Authority determined to authorise the proposed transaction on the grounds that the analysis of the facts of the merger have shown that there were no substantive competition concerns that will arise in the market for the distribution or retailing of tyres for different types of vehicles, given the fact that:

- (a) The acquiring entity will simply inherit the dominant position of the target enterprise, thus not altering the competition landscape in the market for the distribution or retailing of tyres for different types of vehicles;
- (b) The proposed transaction is not likely to result in a substantial lessening of competition, due to the competition constraints that will be posed by competitors such as Auto City, Tyre Fix, Max-T Solutions and Broadhurst Tyre Co; and
- (c) Besides all employees of the target enterprises being retained by the acquirer, it is envisaged that the implementation of the proposed transaction will result in public interest benefit in that an additional 200 employees will be employed considering the acquirer's plans to expand the operations of Dunlop Tyre Services.

Pursuant to the provisions of section 55 of the Competition Act, the Authority has unconditionally approved the proposed acquisition of 100% of the issued share

capital in Fox (Pty) Ltd and Tyrepro Botswana (Pty) Ltd by Harshadkumar Patel, the principal controller and shareholder of the Motovac Group of companies.

However, as stated under section 66 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, this 22<sup>nd</sup> day of December 2016.

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