



MERGER DECISION NO 41: 2021

Notice in Terms of Section 53(4)(a)(ii) of the Competition Act of 2018

THE PROPOSED ACQUISITION BY DP WORLD LOGISTICS FZE OF ALL THE ISSUED AND TO BE ISSUED ORDINARY SHARES IN IMPERIAL LOGISTICS LIMITED (OTHER THAN SUCH ORDINARY SHARES HELD BY SUBSIDIARIES OF IMPERIAL LOGISTICS)

Introduction of the Merging Parties

- i. Pursuant to Section 53(4)(a)(ii) of the Competition Act of 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 by K2020893770 (South Africa) (Pty) Ltd of 100% of the issued acquisition by DP World Logistics FZE ("DP World") of all the issued and to be issued ordinary shares in Imperial Logistics Limited ("*Imperial Logistics*") (other than such ordinary shares held by subsidiaries of Imperial Logistics). The transaction was notified to the Authority on 22nd September 2021 and was completed on 21st October 2021.
- ii. The Acquiring Enterprise, DP World, is controlled by DP World Limited ("DP World Limited"). DP World Limited is 100% indirectly owned by Dubai World Corporation ("Dubai World"), which in turn is wholly owned by the Government of Dubai. DP World Limited is an undertaking which operates on the market independently from Dubai World and any other entities ultimately owned by Dubai World and the Government of Dubai. DP World Limited is a multinational logistics company incorporated in the Dubai International Financial Centre, Dubai, United Arab Emirates. It specialises in port terminal operations, maritime services, free trade zones and cargo handling and logistics services (i.e. discharging and loading of vessels and related activities). DP World Limited and its subsidiaries are collectively referred to in this merger notice as the "Acquiring Group". In Botswana, the Acquiring Group does not have any business operations. Additionally, the Acquiring Group does not control any companies with operations in Botswana.
- iii. Imperial Logistics is a company listed on the Johannesburg Stock Exchange Limited ("JSE") and no firm controls it. Imperial Logistics owns and finances assets for Imperial Logistics and its subsidiaries (the "Target Group"). The Target Group's business can broadly be separated out into logistics operations and market access services. In Botswana, the Target Group has the following subsidiary operating in the logistics segment: Imperial Tanker

Services Botswana Proprietary Limited - which provides road transportation, both primary and secondary transport of bulk fuel; whilst in the market access services segment, the Target Group, indirectly through its subsidiary Imperial Capital Limited, has a non-controlling interest in PST Sales and Distribution Proprietary Limited ("PST") – PST is involved in the sale and distribution of FMCG products; and Fine Pharmaceuticals Proprietary Limited – which is involved in the sale and distribution of pharmaceuticals, medical devices and consumables, animal health products, and agrochemicals.

Relevant Markets

- iv. In Botswana, the Acquiring Group does not have any business operations. Additionally, the Acquiring Group does not control any companies with operations in Botswana.
- v. As for the target entity Imperial Logistics, it has the following subsidiary operating in the *logistics* segment: Imperial Tanker Services Botswana Proprietary Limited - which provides road transportation, both primary and secondary transport of bulk fuel; whilst in the *market access services* segment, the Target Group, indirectly through its subsidiary Imperial Capital Limited, has a non-controlling interest in PST Sales and Distribution Proprietary Limited ("PST") – PST is involved in the sale and distribution of FMCG products; and Fine Pharmaceuticals Proprietary Limited – which is involved in the sale and distribution of pharmaceuticals, medical devices and consumables, animal health products, and agrochemicals.
- vi. Therefore, due to the absence of an overlap in the activities of the merging parties, the Authority maintains that it is not necessary to reach a definitive view on the exact scope of the product market as the market structure is not expected to change post implementation of the proposed transaction.

Competitive Analysis and Public Interest

- vii. The Authority's assessment has revealed that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the service offered in the relevant market. Furthermore, no negative public interest concerns have been identified.

The Determination

- viii. The Authority determined through the analysis of the facts of the merger, that the proposed transaction is not likely to result in the prevention or substantial lessening of competition, or endanger the continuity of the services offered in the relevant market. Furthermore, no public interest concerns have been identified.

- ix. Pursuant to the provision of section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition by DP World Logistics FZE ("*DP World*") of all the issued and to be issued ordinary shares in Imperial Logistics Limited ("*Imperial Logistics*") (other than such ordinary shares held by subsidiaries of Imperial Logistics).

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 21st day of October 2021.

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