



MERGER DECISION NO 48 OF 2023

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF LEASE AREA NO. 2593 - PORTION 44 AND PORTION 87 OF THE FARM FOREST HILL NO. 9-KO, COMMERCE PARK; AND ALSO LEASE AREA 4049-KO, LOT 43163 AND LOT 51573, PHAKALANE AS A GOING CONCERN FOR AND ON BEHALF OF BOTSWANA PUBLIC OFFICERS PENSION FUND, FROM CONSORTIUM INVESTMENTS (PTY) LTD BY SEVENTY5 DEGREES (PTY) LTD, AS A GOING CONCERN

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 relation to the proposed acquisition of Lease Area No. 2593-Portion 44 and Portion 87 of the Farm Forest Hill No. 9-KO, Commerce Park; and also Lease Area 4049-KO, Lot 43163 and Lot 51573, Phakalane on behalf of Botswana Public Officers Pension Fund ("BPOPF"), from Consortium Investments (Pty) Ltd ["Consortium"] by Seventy5 Degrees (Pty) Ltd ["Seventy5 Degrees or the Acquiring Enterprise"]. The transaction was notified to the Authority on 26th October 2023, and the merger assessment was completed on 30th November 2023.

The Acquiring Enterprise, Seventy5, is a private company incorporated in accordance with the Laws of Botswana. It is a newly established company duly appointed as the property asset manager of the BPOPF and makes the acquisition for and on behalf of BPOPF.

The Target Enterprise, Consortium, is a private limited company incorporated in accordance with the Laws of Botswana. It is holding company of the current assets being sold: Lease Area No. 2593- Portion 44 and Portion 87 of the Farm Forest Hill No. 9-KO, Commerce Park; and also Lease Area 4049-KO, Lot 43163 and Lot 51573, Phakalane.

Relevant Markets

The Acquiring Enterprise is a newly established company duly appointed property asset manager, set up to acquire properties and/or assets for and on behalf of BPOPF. The acquired properties will then be leased to businesses for rental income.

On the other hand, the Target Enterprise operates in the real estate market through leasing out commercial space. Currently, it only has four immovable properties under its property portfolio: Lease Area No. 2593- Portion 44 and Portion 87 of the Farm Forest Hill No. 9-KO, Commerce Park; and also Lease Area 4049-KO, Lot 43163 and Lot 51573, Phakalane (*the proposed transaction*).

It should be noted that the Acquiring Enterprise is acquiring several immovable assets from different sellers spread all over the country concurrently. It can be concluded that the Acquirer is a new entrant in the market for commercial property leasing in Botswana. In this regard, the Proposed Transaction will give rise to a horizontal overlap post-merger. However, the relevant market is characterised by myriad players both at individual and company levels who will pose competitive constraints to the merged entity post-merger. As such, the Authority does not anticipate any competition concerns to arise in the relevant market as a result of the Proposed Transaction

Competitive Analysis and Public Interest

The Authority has established that the Proposed Transaction is not likely to result in a substantial lessening of competition, nor endanger the continuity of service in the market of leasing out commercial space in real estate. 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 acquisition of Lease Area No. 2593- Portion 44 and Portion 87 of the Farm Forest Hill No. 9-KO, Commerce Park; and also Lease Area 4049-KO, Lot 43163 and Lot 51573, Phakalane on behalf of Botswana Public Officers Pension Fund, from Consortium Investments (Pty) Ltd by Seventy5 Degrees (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 30th day of November 2023.

Tebelelo Pule, Chief Executive Officer, Competition and Consumer Authority,
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