



MERGER DECISION NO 55: 2023

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

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF AN ADDITIONAL SHAREHOLDING IN JOSEPH INVESTMENT HOLDINGS (INCLUDING ITS SUBSIDIARY IN BOTSWANA) BY AIIH LIMITED

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 of the proposed acquisition of an additional shareholding in Joseph Investment Holdings (“JIH or the Target Enterprise”), including its subsidiary in Botswana by AIIH Limited (“AIIH or the Acquiring Enterprise”). The Transaction was notified to the Authority on 30th November 2023, and the merger assessment was completed on 14th December 2023.

The Acquiring Enterprise, AIIH is a special purpose vehicle, which is registered in accordance with the laws of Mauritius. It is controlled by Vertx Limited (British Virgin Islands company) and FAITH Agri Ltd (company based in Mauritius). AIIH does not directly or indirectly control any enterprise; nor does it have any activities in Botswana.

The Primary Target Enterprise, JIH is a holding company registered in accordance with the Laws of Mauritius. The current shareholders of the Target Enterprise are AIIH Limited, HL Global, HFPIL, Pinotage and Tamlura. JIH controls AFGRI Holdings Proprietary Limited (“AHL”). AHL controls AFGRI Group Holdings (Pty) Ltd [“AGH”]. Both Enterprises are incorporated in accordance with the Laws of South Africa. AGH owns AGFRI Mauritius Investments (“AGFRI Mauritius”). AGFRI Mauritius together with Zacharias Johannes Swanepoel (Motswana) controls AGFRI Equipment Botswana (Pty) Ltd [“AFGRI Botswana”], a Botswana registered company).

Relevant Markets

In terms of the relevant markets, Acquiring Enterprise is a special purpose vehicle created for the purposes of this transaction; and not have any business activities in Botswana. However, one of its shareholder, FAITH derives revenue in Botswana through participating in the markets for provisions of plastic food packaging materials; and supplier of modular buildings, as alluded earlier in the report. It

should be noted that these aforementioned markets are not related to the Proposed Transaction.

On the other hand, the Primary Target Entity is a holding company, and it is active in Botswana through AFGRI Botswana. AFGRI Botswana is involved in the sale of new and used agricultural equipment and parts, as well as the servicing of the equipment, predominantly the John Deere brand, with the following franchises: agriculture, construction and forestry, golf and lawn and garden equipment throughout Botswana.

It is concluded that the Proposed Transaction will give no rise to horizontal overlap post-merger. However, in view of the nature of the products offered by AFGRI Botswana in the merger under assessment, the relevant market is defined as the *sale of new and used agricultural equipment and parts, as well as the servicing of the equipment, predominantly the John Deere brand across Botswana.*

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 an additional shareholding in Joseph Investment Holdings, including its subsidiary in Botswana by AllH Limited.

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 14th day of December 2023.

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