



MERGER DECISION NO 8: 2015

DECISION ON THE PROPOSED ACQUISITION OF 20% SHARES IN FLUID SYSTEMS BOTSWANA (PTY) LTD BY MANULI FLUICONNECTO HOLDING BV, LEADING TO 100% SHAREHOLDING

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 in respect of the proposed acquisition of 20% shares in Fluid Systems Botswana (Pty) Ltd by Manuli Fluiconnecto Holding BV.

The Authority determined to authorise the proposed transaction on the grounds that the analysis of the facts of the case have shown that there were no substantive competition concerns that will arise in the market for distribution, repair and maintenance of hydraulics and pneumatics products on account of the proposed acquisition in Botswana, given the fact that:

- a) The proposed transaction is not likely to result in substantial lessening of competition, nor endanger the continuity of service, due to the fact that the transaction is not expected to reduce the number of competitors in the relevant product market in Botswana;
- b) Similarly, the implementation of the proposed merger is not expected to result in the merged entity attaining a dominant position, as the transaction is not expected to affect the current market structure; and
- c) No significant negative effect on public interest in Botswana has been identified, in relation to the provisions of section 59(2). The Authority further takes into consideration the commitments by Manuli Fluiconnecto Holding BV that:
 - (i) Fluid Systems is in the process of manufacturing Hydraulic and Pneumatic Cylinders used in most industries in Botswana; and
 - (ii) Fluid Systems is planning to start and develop a partnership program to train local apprentices and to open a third Service Point 2015.

Subject to these commitments and pursuant to the provisions of section 55 of the Competition Act, the Authority has approved the proposed merger.

The merged entity should revert to the Competition Authority within 12 months, with a status report regarding the progress made on their commitments.

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 2nd day of April, 2015

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