



MERGER DECISION NO 30: 2019

Notice in Terms of Section 60(4)(a)(ii) of the Competition Act

THE PROPOSED ACQUISITION OF 100% SHAREHOLDING IN CLOVER INDUSTRIES LTD BY MILCO SA (PTY) LTD

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% shareholding in Clover Industries Ltd by Milco SA (Pty) Ltd.

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 market under consideration, in Botswana, given the fact that:

- a. The proposed transaction will not alter the structure of the market under consideration; and
- b. The implementation of the proposed merger would result in the merged entity inheriting a dominant position.

However, it is noted that the proposed acquisition gives rise to public interest concerns under section 59(2)(b) of the Competition Act in that there may be spill over effects on the Botswana market as a result of subsequent changes emanating from the proposed merger.

Taking the public interest concerns and pursuant to the provisions of section 60 of the Competition Act of Botswana, the Authority has approved the proposed acquisition with the following conditions:

- a. There shall be no retrenchment of any employee as a result of the proposed merger;

- b. The merged entity shall use all its powers to ensure that the business of Clover Botswana is maintained in Botswana to retain business continuity with the local based dairy input suppliers; and
- c. In the event that the merged entity is compelled to change the Botswana business model, such intentions should be communicated to the Competition Authority with a clear justification for the decision.

However, as stated under Section 66 of the Competition 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 July 2019.

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