



MERGER DECISION NO 24 OF 2020

DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF LOT 21336, PHAKALANE, GABORONE FROM GREEN PACKAGING (PTY) LTD BY BONTLE PAPER INDUSTRIES (PTY) LTD.

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 of Lot 21336, Phakalane, Gaborone from Green Packaging (Pty) Ltd by Bontle Paper Industries (Pty) Ltd. The transaction was notified to the Authority on 17th November 2020 and the merger assessment was completed on 03rd December 2020.
- ii. The acquiring enterprise, BPI, is a company incorporated in accordance with the Laws of Botswana. The acquiring enterprise is a Special Purpose Vehicle ("SPV") being utilised solely for the acquisition of the property which is subject to the proposed merger transaction. BPI has not traded in any services or goods or conducted any commercial activity since its incorporation in 2011. The shareholders of BPI who are also directors of the company are: Jagdish Natwarlal Shah (Motswana); Manharlal Lallubhai Barot; and Ranakkumar Satishchandra Upadhyay (both Indians).
- iii. The target enterprise, Green Packaging is a company incorporated in accordance with the Laws of Botswana. Green Packaging closed its operations in 2019 and was engaged in manufacturing of polystyrene trays for food packaging. The target enterprise therefore, does not generate any revenue in, into or from Botswana. The target enterprise's shareholders are: Ananda Padmanabhan Rangaswamy; Omar Ansar and Subial Bin Imtiaz. The director of Green Packaging are: Ananda Padmanabhan Rangaswamy (Motswana) Imtiaz Ahmed; and Ansar Ahmed Mushtaq (both Pakistanis).

Relevant Markets

- iv. In terms of the relevant market, the assessment of the proposed transaction revealed that the Merging Parties do not compete in the same product market. BPI is a Special Purpose Vehicle ("SPV") being utilised solely for the acquisition of the property which is subject to the proposed merger. On the other hand, Green Packaging closed its operations in 2019; it was engaged in manufacturing of polystyrene trays for food

packaging. In view of the nature of the product offered by the target enterprise, the relevant market was defined as **industrial property market** in Gaborone.

Competitive Analysis and Public Interest

- v. The Authority's assessment did not reveal any substantial lessening of competition concerns due to the absence of product and geographical overlaps in the activities of the Merging Parties.
- vi. In terms of public interest, the assessment revealed that the merger is expected to create employment in Botswana. Furthermore the Authority appreciates that the transaction allows LTB to improve the skills of its employees through leveraging on LTH's global expertise.

The Determination

- vii. 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.
- viii. Pursuant to the provision of Section 53 of the Competition Act, the Authority has decided to unconditionally approve the proposed acquisition of Lot 21336, Phakalane, Gaborone from Green Packaging (Pty) Ltd by Bontle Paper Industries (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 03rd day of December 2020.

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