



## **MERGER DECISION NO 13: 2024**

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

#### **DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED ORDINARY SHARE CAPITAL OF TOTALENERGIES MARKETING BOTSWANA (PTY) LTD BY PRAX SOUTH AFRICA (PTY) LTD**

##### **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 respect of the proposed acquisition of the entire issued ordinary share capital of TotalEnergies Marketing Botswana (Pty) Ltd ["TotalEnergies Botswana" or "the Target Enterprise"] by Prax South Africa (Pty) Ltd ["Prax SA" or "the Acquiring Enterprise"]. The transaction was notified to the Authority on 29<sup>th</sup> February 2024, and the merger assessment was completed on 16<sup>th</sup> May 2024.

The Acquiring Enterprise, Prax SA, is controlled by Prax South Africa Holdings (Pty) Ltd ("Prax Holdings"), and both companies are incorporated in accordance with the Laws of South Africa.

The Target Enterprise, TotalEnergies Botswana, is a company incorporated in accordance with the Laws of Botswana. It is wholly-owned by TotalEnergies Marketing South Africa (Pty) Ltd ["TotalEnergies SA"], a South African based company.

##### **Relevant Market**

The Acquiring Enterprise is an offshore enterprise with no direct or indirect presence in Botswana. The Target Entity is active in Botswana through marketing and supply of petroleum products such as diesel and petrol and lubricants to both individual and company customers. Based on the description of the product offering of the target entity. It is worth noting that the majority of petroleum products marketed and sold in Botswana are imported from South Africa. From the previously assessed transaction between VIP II Blue B.V. and Vivo Energy plc., the supply chain activities for petroleum business include both upstream activities (such as the trading of refined petroleum products) and downstream activities (retail and commercial distribution of petroleum products) solely in Africa. It can be concluded that the target enterprise operates in the downstream market for marketing and distributing petroleum products in Botswana.

On the basis of the above, there is absence of product overlap in the activities of the merging parties in Botswana. In addition, the proposed transaction will not give rise to market share accretion in the relevant market post implementation. Therefore, status quo is expected to be maintained post-merger. Furthermore, there is effective remaining competition post- merger in that the relevant market is highly competitive, and the merged party will face competition from a number of entities.

### **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 downstream market for marketing and distributing petroleum products in Botswana*. 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 the entire issued ordinary share capital of TotalEnergies Marketing Botswana (Pty) Ltd by Prax South Africa (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 16<sup>th</sup> day of May 2024.

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