



MERGER DECISION NO 19: 2024

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

DECISION ON THE PROPOSED SALE AND PURCHASE OF LOT 1271, GABORONE AS A GOING CONCERN FOR AND ON BEHALF OF BOTSWANA PUBLIC OFFICERS PENSION FUND BY BPOPF KHUMO MANAGED PROPERTY FUND, FROM LOT ONE TWO SEVEN ONE (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 sale and purchase of Lot 1271, Gaborone as a going concern for and on behalf of Botswana Public Officers Pension Fund ("BPOPF") by BPOPF Khumo Managed Property Fund ["BPOPF Khumo Managed Fund or Acquiring Enterprise"], from Lot One Two Seven One (Pty) Ltd ["Lot One Two Seven One or Selling Enterprise"]. The transaction was notified to the Authority on 24th May 2024, and the merger assessment was completed on 14th June 2024.

The Acquiring Enterprise, BPOPF Khumo Managed Fund, is a BPOPF fund operated and managed by an asset manager known as Khumo Property Asset Management (Pty) Ltd, a private company incorporated in accordance with the Laws of Botswana. The Acquiring Enterprise is duly appointed as the property asset manager of the BPOPF and makes the acquisition for and on behalf of BPOPF.

The Selling Enterprise, Lot One Two Seven One, is a company incorporated in accordance with the Laws of Botswana. It is wholly controlled by Murli Vashdev Sakhrani.

Relevant Market

The Acquiring Enterprise is an established company duly appointed property asset manager to acquire properties and/or assets for and on behalf of BPOPF. The acquired properties will then be leased for rental income. The Acquiring Enterprise currently owns one (1) property under its portfolio being, Lot 67977, Gaborone. On the other hand, the Selling Enterprise is a property holding company of Lot 1271, situated in Gaborone (the Property being sold). Lot 1271 is the only property owned by the Selling Enterprise.

In light of the above, the proposed transaction gives rise to a horizontal overlap post-merger, in that both enterprises are commercial property companies that own property for rental income. However, it is worth noting that the Acquiring Enterprise has only one property under its portfolio. It can therefore be concluded that the Acquiring Entity is a small player in the commercial property market in Gaborone. As such, the identified overlap will make an insignificant change in the real estate market structure in Gaborone due to the size of the acquiring enterprise. Therefore, no competition concern expected to rise as result of the merger post implementation. In addition, the relevant market is characterised by myriad players, both at individuals and company levels who will pose competitive constraints to the merged entity post-merger.

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 sale and purchase of Lot 1271, Gaborone as a going concern for and on behalf of Botswana Public Officers Pension Fund by BPOPF Khumo Managed Property Fund, from Lot One Two Seven One (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 14th day of June 2024.

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