



MERGER DECISION NO 21: 2019

THE PROPOSED ACQUISITION OF 100% OF THE SHARES IN EDGARS CONSOLIDATED STORES LTD BY NEW HOLDCO

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% of the shares in Edgars Consolidated Stores Ltd ("ECSL") by New HoldCo.

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 provision of clothing apparel; cosmetics; homeware; mobile cellular; stationary and insurance; and unsecured credit, in Botswana given the fact that:

- i. The proposed transaction will not alter the structure of the market under consideration; and
- ii. The implementation of the proposed merger would not result in the merged entity attaining any dominant position.

However, it is noted that the proposed acquisition gives rise to public interest concerns under section 59(2)(e) of the Competition Act in that there may be spill over effects on the Botswana market as a result of the current 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:

- i. The merged entity shall use all its endeavors to ensure that the business of Edgars Consolidated Stores Limited (Edcon) is maintained in Botswana; and
- ii. 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 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 3rd day of May 2019.

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