



MERGER DECISION NO 27: 2022

DECISION ON THE PROPOSED ACQUISITION OF 100% SHARES AND CLAIMS IN WATERGREEN (PTY) LTD BY LERETLWA CONSTRUCTION AND MINING EQUIPMENT (PTY) LTD

Introduction of the Merging Parties

- i. 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 100% of the shares and claims in Watergreen (Pty) Ltd ["Watergreen"] by Leretlwa Construction and Mining Equipment (Pty) Ltd ["Leretlwa Construction"]. The transaction was notified to the Authority on 20th July 2022, and the merger assessment was completed on 23rd August 2022.
- ii. The Acquiring Enterprise, Leretlwa Construction, is a limited liability company incorporated in accordance with the Laws of the Republic of Botswana. Leretlwa Construction is controlled equally by Arthur Siwawa and Thabo Tsholofelo Moeti (both Batswana). Leretlwa is a property holding enterprise used by its shareholders to acquire commercial properties. Leretlwa currently holds Plot 155 Unit 23 Kgale Mews and Plot 1932 Tsholofelo, both in Gaborone, and Ranch No. G9B in Kweneng District.
- iii. The Target Enterprise, Watergreen, is a limited liability company incorporated in accordance with the Laws of the Republic of Botswana. Watergreen is controlled by Remigio Mario Borello, Vijay Kalyanaraman and Serafina Nives Codello. Watergreen is a property holding company and holds only one asset, being a commercial Farm Athol Holme No 11-KO, a residential property situated near Gaborone dam.

Relevant Markets

- iv. In terms of the relevant markets, the assessment of the Proposed Transaction reveals that there exists a product overlap in the activities of the merging parties in that, both the acquirer and the target own properties which are close substitutes, a ranch and a farm. However, these properties have different purposes as the ranch is used for conservation and the farm is used as a residential place. Post implementation of the transaction, there will be minimal change in the market structure as the target's only property is the farm.

- v. The Merged Entity is not expected to attain any dominant position due to the nature of this transaction having minimal product overlap as well as the negligible market share of the dominant firm. The relevant market is highly fragmented as it is characterised by a large of players

Competitive Analysis and Public Interest

- vi. The Authority's assessment has revealed that the structure of the relevant market will not change post-merger, and the Proposed Transaction is not likely to result in any adverse effects on competition in the relevant market in Botswana post implementation.

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 a substantial lessening of competition, nor endanger the continuity of service, in the relevant market in Botswana. Furthermore, there is no acquisition of market dominance post-merger; nor any negative effects on public interest in Botswana identified, in relation to the provisions of the section 52 of the Competition Act 2018.
- viii. Pursuant to the provision of section 53 of the Act, the Authority has decided to *unconditionally approve* the proposed acquisition of 100% of the shares and claims in Watergreen (Pty) Ltd by Leretlwa Construction and Mining Equipment (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 24th day of August 2022.

Kesego Modongo, Acting Chief Executive Officer, Competition and Consumer Authority,
P/Bag 00101, Gaborone, Plot 28, Matsitama Road, Tel: 3934278 Fax: 3121013.