



MERGER DECISION NO 31: 2021

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

THE PROPOSED ACQUISITION OF TWO OF THE ASSETS OF PRIMETIME PROPERTY HOLDINGS LTD, NAMELY LOT 29 GHANZI, AND TRIBAL LOT 3273, RAMOTSWA BY NEW AFRICAN PROPERTIES 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 two of the assets of PrimeTime Property Holdings Ltd, namely, Lot 29 Ghanzi and Tribal Lot 3273, Ramotswa by New African Properties Ltd. The transaction was notified to the Authority on 24th August 2021 and the merger assessment was completed on 16th September 2021.
- ii. NAP, owns a portfolio of strategically located retail properties in prime shopping malls throughout Botswana, as well as a portfolio of Namibian retail properties. In Botswana, NAP, owns inter alia the following: (i) Riverwalk; (ii) Kagiso Centre; (iii) Gaborone Shopping Centre; (iv) Riverwalk Plaza; (v) Plot 8 Station; (vi) Madirelo Centre, all in Gaborone; (vii) Mafenyatlala Mall in Molepolole; (viii) Kasane Mall in Kasane; (ix) Mokoro Centre in Maun and (x) Tlokweng Shopping Centre in Tlokweng.
- iii. The Selling Enterprise, PTPH, is a variable rate loan stock company listed on the Botswana Stock Exchange. Its major beneficial unitholders are: Botswana Public Officers Pension Fund ["BPOPF"]; Linwood Holdings ["LH"]; Tati Company ["TC"]; Debswana Pension Fund ["DPF"] and Metropolitan Life ["ML"], PTPH is invested in a diversified portfolio of office, retail and industrial properties throughout Botswana and Zambia, and more recently in South Africa. In Botswana PTPH, owns inter alia the following: (i) Office - Prime Plaza, Letshego Place, Plot 29,G4S, AFA House, Independence Place and Capricorn House, all in Gaborone; (ii) Retail – Design Quarter, Sebele Centre and South Ring Mall, all in Gaborone, Nswazwi Mall in Francistown, Boiteko Junction in Serowe, Hillside Mall in Lobatse, Ghanzi Shopping Centre in Ghanzi, Ramotswa Shopping Centre in Ramotswa and Pilane Crossing in Pilane; and Industrial – Plot LA1159-KO, Broadhurst Industrial, Gaborone.

Relevant Markets

- iv. NAP provides retail accommodation through letting of its various properties throughout the country while the target entity, PrimeTime Property, also provides retail accommodation throughout the country.
- v. However, it is evident from these descriptions that there is an overlap in the activities of the merging parties as both the acquirer and target entity, are operational in the rentable space in the retail property market in both Ghanzi and Ramotswa. Therefore, the product market can be termed as that of rentable space in the retail property market.

Competitive Analysis and Public Interest

- vi. The Authority's assessment revealed that the transaction under assessment is not expected to substantially lessen competition due to the fact that there will be insignificant effects in the market as there are other real estate investment companies in Ghanzi and Ramotswa owned by diverse individuals and institutions that will act as a constraint on the merged entity, post-merger.

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 two of the assets of PrimeTime Property Holdings Ltd, namely, Lot 29 Ghanzi and Tribal Lot 3273, Ramotswa by New African Properties 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 16th day of September 2021.

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