



MERGER DECISION NO 45 OF 2024

MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF 100% SHAREHOLDING IN SHARPS ELECTRICAL (PTY) LTD BY AUTASH ARORA, MOHAMED YOUSUF OSMAN AND MOHAMMED CHAND

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 relation to the proposed acquisition of 100% shareholding in Sharps Electrical (Pty) Ltd ("Sharps Electrical" or the "Target Enterprise") by Autash Arora, Mohamed Yousuf Osman and Mohammed Chand ("Arora", "Osman" and "Chand" or collectively the "Acquiring Enterprise"). Following the implementation of the proposed transaction, 100% of the shares of Sharps Electrical will be transferred from the current shareholder to the Acquiring Enterprise, this will become a 100% citizen owned company.

The Acquiring Enterprise comprises three individual Botswana males of full legal capacity, being Arora, Osman and Chand. The Acquiring Enterprise are Shareholders and Directors in various other enterprises in Botswana.

The Target Enterprise, Sharps Electrical is a private limited company incorporated in Botswana. The Target Enterprise is wholly owned by the Estate of the Late Giorgio Narder.

Relevant Markets

In terms of the activities of the Merging Parties, the Acquiring Enterprise comprises three individuals who are involved in several business enterprises as Shareholders and Directors in Botswana. For completeness, Arora is a shareholder in several enterprises including Botlhale Cambridge International School Limited, Pula Sales Company (Pty) Ltd, Gaborone Leather Products (Pty) Ltd, among others. Chand is a shareholder in Brandmed Holdings Botswana (Pty) Ltd, Dawa Pharmaceuticals (Pty) Ltd and Delta Diagnostics, just to name a few. Osman is both director and shareholder in Grand Investments (Pty) Ltd and Ekono Enterprises (Pty) Ltd.

On the other hand, Sharps Electrical is an electrical engineering contractor and supplier of electrical products and equipment in Botswana. Sharps Electrical offers supply, installation, testing, and commissioning services for the construction and power industry. Its services include the provision of electrical services associated

with high voltage and low voltage and backup power distribution, lighting and small power, public hospital health systems, fire detection and access control systems electric instrument cabling, instrumentation cabling associated with automation networks, building services and CCTV (closed circuit television) Systems. The Target Enterprise is headquartered in Gaborone and has a branch in Francistown.

Competitive Analysis and Public Interest

In the assessment of Substantial Lessening of Competition, the investigations have revealed that there's no overlap in the activities of the Acquiring and Target Enterprises as the Acquiring Enterprise comprises individuals whilst the Target Enterprise is an electrical engineering contractor and supplier of electrical products and equipment in Botswana as explained above. The Authority does not anticipate the acquisition to result in any substantial lessening of competition post implementation as there is no relationship between the activities of the merging parties in the market.

Moreover, the Acquiring Enterprise is expected to face strong competition from existing well-established players including in the retail and contracting sectors of electrical engineering and supply of electrical products and equipment in Botswana. For this reason, the market under consideration is highly competitive and is characterised by many active participants.

The implementation of the Proposed Merger is not expected to result in the acquisition of a dominant position in the relevant market in Botswana as there's no overlap in the activities of the merging parties. Furthermore, as indicated above in the report, the merged enterprise is expected to face strong competition from the existing well-established players in the retail and contracting sector of the market.

In terms of Public Interest considerations, the Authority does not foresee any detriment to public interest that will arise because of the transaction under consideration. The Target Enterprise will be 100% owned by citizens post-merger thereby contributing to citizen empowerment. Furthermore, as the relevant market gives preference to citizen owned companies (contracting sector), post-merger, the merged entity anticipates a boost in job creation and sourcing of goods and services from local SMMEs.

The Determination

The Authority determined through the analysis of the facts of the merger that the structure of the relevant market is not going to change upon implementation of the proposed transaction as no overlap exists in the activities of the merging parties. As such, no competition concerns will arise. Furthermore, the proposed merger will not have any negative effects on public interest in Botswana as per the provisions of section 52(2) of the Competition Act 2018.

Pursuant to the provision of section 53 of the Act, the Authority has decided to unconditionally approve the proposed acquisition of 100% shareholding in Sharps Electrical (Pty) Ltd by Autash Arora, Mohamed Yousuf Osman and Mohammed Chand.

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 27th day of November 2024.

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