

## **MERGER DECISION NO 42 OF 2024**

### **MERGER DECISION ON THE ASSESSMENT OF THE PROPOSED ACQUISITION OF TRIBAL LOT 38487, MOGODITSHANE A PORTION OF CADASTRE 89 FROM MUINUDDIN TAJBHAI BY MOTO WORLD (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 relation to the proposed acquisition of Tribal Lot 38487, Mogoditshane a portion of Cadastre 89 (the "Target Property") from Muinuddin Tajbhai ("Mr. Tajbhai" or the "Target Enterprise") by Moto World (Pty) Ltd ("Moto World" or the "Acquiring Enterprise"). Following the implementation of the proposed transaction, Moto World will solely own and control the Target Property.

The Acquiring Enterprise is a private limited company duly incorporated in accordance with the Laws of Botswana. The Acquiring Enterprise does not control nor is it controlled by any other entities in Botswana.

Mr. Tajbhai is a Botswana male of full legal capacity.

#### **Relevant Markets**

In terms of the activities of the Merging Parties, the Acquiring Enterprise sells a wide range of products related to vehicles and machinery, specifically focusing on parts for cars, bikes and other engine-powered machines. These include, but are not limited to engine components, transmission systems, braking systems, exhaust systems, electrical components, cooling systems, suspension systems, lubricants, etc.

On the other hand, Mr. Tajbhai currently owns the Target Property which is currently occupied by Moto World on a rental basis. Mr. Tajbhai also has other business interests in Botswana in various companies that operate in property holding, as well as parts and hardware businesses.

#### **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 merging parties as the Acquiring Enterprise sells parts related to vehicles, bikes and machinery whereas the Target Enterprise is an individual who owns the Target Property. The Authority does not anticipate the acquisition to result in any substantial lessening of

competition post implementation as there is no relation 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 local and multinational commercial property companies. 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. Post-merger, the Acquiring Enterprise's portfolio will comprise of only one property, currently held by the Target Enterprise. Furthermore, as indicated above in the report, the merged enterprise is expected to face strong competition from the existing well-established players including state-owned and private property investment companies.

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. Moto World is a tenant of the Target Property and will continue to occupy the property post-merger.

### **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 matters 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 Tribal Lot 38487, Mogoditshane a portion of Cadastre 89 from Muinuddin Tajbhai by Moto World (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 22<sup>nd</sup> day of October 2024.

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