



## CA HOLDS OPEN DAY TO CELEBRATE WORLD COMPETITION DAY

The Competition Authority held an Open Day on 2nd December 2015 to observe the World Competition Day (WCD) which is observed by consumer agencies, civil society and competition agencies annually on 5th December each year.

The Open Day was held at the Competition Authority Offices and the five departments of the Authority and staff of the Competition Commission explained their mandates, operations and activities to members of the public and the business community.

The CEO's Office, Departments of Communications and Advocacy, Competition and Research Analysis, Corporate Services, Legal and Enforcement and Mergers and Monopolies, as well as staff of the Competition Commission were at hand to assist the public.



The CEO and staff talking to visitors during the Competition Authority Open Day on 3rd December 2015

The Open Day was held under the theme "Competition Issues in Public Procurement", this year's WCD theme was a continuation of the 2014 theme. Welcoming guests to the Open Day, the CEO of the Competition Authority Mr. Thula Kaira said while the day has not been officially designated as such, it has been largely observed by most competition authorities and advocates as a day of giving due prominence to the subject of competition.

It was on 5th December in 1980 that the United Nations General Assembly adopted the "United Nations Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices". "There is something called 'World Toilet Day' and I am sure 'World Competition Day' is worth advocating for all of us that

are involved in competition advocacy and enforcement" Kaira said. These principles and rules were the first formal recognition by the UN to bring to the fore the role that equitable principles and rules for control of restrictive business practices have on the development process, especially for less developed countries.

Substantially, the principles and rules recognised that trade and investments amongst UN member states could be affected by certain restrictive practices such as unreasonable protectionism, anti-competitive mergers, cartels and abuse of market power. These could be by way of acts of the State (through policies or laws) or acts of private business (notably multinationals and dominant firms).

To Page 7

### IN THIS ISSUE

CA Holds Open Day for World Competition Day Page 1

Public Hearings on KFC and BIHL Mergers Page 3

South Africa Hosts BRICS Competition Conference Page 6

# WORLD COMPETITION DAY: A REFLECTION ON COMPETITION POLICY

The 5th of December marks a very important day on the calendar of competition agencies around the world, as they commemorate World Competition Day.

Though 'unofficial' in the context of other well-known commemoration days such as the recently held World Aids Day; competition agencies and civil society around the world have continued to commemorate this day. It is only fitting that Botswana's competition agency, the Competition Authority, joins the rest of the world in commemorating this day. As a way of doing so this year, the Competition Authority hosted an Open Day, where it opened its doors to the general public to come and learn more about the organisation and its mandate. Since its inception in 2011, this was the first time the Authority commemorated the day in this fashion.

It is evident that more still needs to be done in educating the public about issues of competition policy and the Authority's mandate. Some firms continue to either knowingly or unknowingly merge without notifying the Competition Authority, which is a worrying trend. There is also a perception that the Authority exists purely to stop mergers from occurring, which is not necessarily the case. Even though perfect competition happens in the absence of monopolies, if a firm grows organically, there is no problem if such dominance is acquired through fair and ethical business practices. The main concern of the Authority is to ensure consumer welfare is satisfied through provision of quality products, increased choice of products and fair pricing of goods. In light of these issues, this piece has been crafted to help address some of those competition concerns.

The primary goal of a competition policy in every jurisdiction is to promote fair competition in the economy. By promoting competition, competition policy seeks to make markets work better and contribute towards improved efficiency



The Competition Commission Chairman Dr. Onkemetse Tshosa, and the CEO Mr. Thula Kaira talking to guests during the CA Open Day on 3rd December 2015

in individual markets and enhanced competitiveness of small and medium enterprises in the economy. Economists classify markets into three different structures being perfect competition, oligopoly, monopolistic competition and pure monopoly.

Perfect competition and pure monopoly mark the two extremes of the market structures. Competition policy envisages a perfectly competitive market structure and discourages pure monopoly. The policy favours perfect competition for its desirable features of no barriers to entry, no firm having any unilateral power of influencing market prices and every firm enjoying a negligible market share of the total market share.

Even though promoting competition is the primary concern, competition policy also takes into consideration public interest. Public interest considerations include employment issues, national security concerns, localisation of firm ownerships, protection of small and medium enterprises and other issues that may impose negative externalities on the society at large. Generally, merger controls are focused on mergers that are likely to harm competition by enhancing the merged firm's ability or incentives to exercise market power. However, sometimes while assessing mergers,

public interest concerns on their own may be enough to sway the merger decisions in favour of the merging parties, despite the merged entity acquiring more market power post-merger.

The well documented merger case involving Choppies acquiring Supasave and Megasave (Pty) Ltd in 2013 is a classic example where public consideration was put to practise. The transaction led to Choppies possessing an even larger market share following approval of the merger, however, greater importance was given to the fact that about 300 people would lose their jobs had the merger been rejected.

In light of the above, economies like Botswana, which is not well diversified and hence characterised by slow private sector development and high unemployment rates, promotion of competition is a step in the right direction to remedy these ailments in our economy. Competitive markets allocate scarce resources efficiently into productive use which boosts production capacity of the economy, leading to a reduction in unemployment and giving citizens a chance to meaningfully and gainfully participate in the economic growth of the nation.

Source: Mothusi Lotshwao, Assistant Analyst, Department of Mergers and Monopolies, Competition Authority (Botswana)



## CA HOLDS PUBLIC HEARINGS ON PROPOSED ACQUISITIONS OF KFC FRANCHISE RESTAURANTS IN BOTSWANA AND BOTSWANA INSURANCE HOLDINGS LTD

The Competition Authority held public hearings on some proposed acquisitions on 30th November and 7th December 2015. The first hearing involved the intention by Callus (Pty) Ltd to acquire the operations of the Kentucky Fried Chicken (KFC) franchise restaurants in Botswana, together with all assets related to the operation of the KFC franchise stores from VPB Propco (Pty) Ltd.

Callus is a company incorporated under the Laws of the Republic of Botswana, and is a wholly owned subsidiary of Country Bird Holdings (Pty) Ltd (CBH). CBH is a company incorporated under the Laws of the Republic of South Africa.

In addition to its interest in Callus, CBH has a 100% shareholding in Ross Africa Limited, a company duly incorporated in terms with the Laws of the Republic of Mauritius. Ross Africa Limited, in turn, has a 60% shareholding in Master Feeds (Pty) Ltd, a company incorporated in accordance with the Laws of Botswana.

Master Feeds has three trading divisions active in Botswana, namely: Nutri Feeds (distributes feeds throughout Botswana); Ross Breeders Botswana (has hatcheries in Botswana); and Oistins (runs an abattoir as well as broiler farm in Botswana). Callus is therefore a shelf company which is intended to hold all the KFC franchise stores in Botswana and has no other business activities in the country.

VPB Propco, the target enterprise, is a company incorporated under the Laws of the Republic of Botswana. VPB trades as KFC Botswana through its three wholly owned subsidiaries: Greenax (Pty) Ltd, QSR (Pty) Ltd and Boitumelo Dijo (Pty) Ltd.

Each of the aforementioned subsidiaries operates its own KFC franchise restaurants. Greenax operates Kanye, Broadhurst, Maun and Palapye KFC franchise outlets; QSR operates Kasane, Molepolole and Game City franchise outlets; and Boitumelo Dijo operates Gaborone Main Mall, Gaborone West, Francistown, Somerset, Rail Park and Airport Junction KFC franchise outlets.

The December 7th hearing concerned the intention by Botswana Insurance Holdings Ltd (BIHL) to acquire 50% interest in Teledimo(Pty) Ltd. Teledimo, the target firm, is the holder of 100% of the ordinary shares in Botswana Insurance Company Ltd (BIC) and is duly licenced as BIC controller in terms of applicable laws.

BIHL, the acquiring firm, is a public company listed on the Botswana Stock Exchange. BIHL directly owns and controls Botswana Insurance Fund Management Limited ("BIFM") which is licensed as an asset management firm; Botswana Life Insurance Limited ("BLIL") which is licensed as a life insurer; and BIHL Insurance Holdings Ltd ("BIHL Sure") which is licensed as a short-term insurance company, specialising in Legal Assurance. BIHL and its subsidiaries un-

derwrite all classes of long-term insurance, legal insurance, administer deposit administration schemes, manage investments and administer life and pension funds.

Teledimo, the target firm, is the holder of 100% of the ordinary shares in Botswana Insurance Company Ltd ("BIC") and is duly licenced as BIC controller in terms of applicable laws. BIC is a general insurance company and its product portfolio includes personal lines and commercial lines. BIC also offers specialised insurance products such as agricultural products, aviation insurance, directors and officer's liability and pension fund trustees.

The services under personal lines include motor insurance, house owners' insurance, house holders' insurance, personal legal liability and personal accident insurance, while under commercial lines they offer motor insurance, fire insurance, engineering insurance, retrenchment cover, miscellaneous and liability insurance. Post implementation of the proposed transaction, BIHL will own and control 50% shares in Teledimo, and consequently BIC.

The hearings were held with each of the parties to the transaction and other interested parties, pursuant to section 58(3)(a) of the Competition Act. Parties to the transactions as well as their competitors and the general public made verbal representations to the Authority with respect to the proposed transactions.

# CA OBSERVES 2015 WORLD AIDS DAY



Prophet Mogotsi Baloyi, CEO Mr. Thula Kaira and HIV/AIDS Activist Ms. Onalethata Mpebe at the CA offices on Worlds AIDS Day 1<sup>st</sup> December 2015

On 1st December 2015 Competition Authority staff observed World AIDS for the fourth consecutive year. To observe the day, the Authority invited an AIDS Activist and person living with HIV, Ms. Onalethata Mpebe as Guest speaker to motivate staff. Also invited to give a prayer and inspirational message for the day was Prophet Mogotsi Baloyi who is the Presiding Prelate at Compass International Assembly.

In her address, Ms. Mpebe said she discovered that she was HIV positive in 2013 and was shattered. Eventually she said she accepted her status and decided to go public about it. She said after she went public with her status there was an outpouring of support from the general public and she has never felt discriminated against. “Just to accept your situation makes things much better. You find how beautiful life is with no anger, no depression” Mpebe said.

Ms. Mpebe emphasised the importance of accepting one’s status and warned that not doing that is tantamount to suicide due to the stress levels that may pre-

cipitate the onset of AIDS in an individual. “When people are stressed they don’t take care of themselves, stress will take your CD4 cell count down”. She further challenged each and every person to contribute to the fight against HIV and AIDS regardless of their HIV status. “Yes you have tested negative but what are you doing after that. Ask your relative, your friend, have you tested”?

In his inspirational message, Prophet Baloyi called for mindset change which he said should start at individual level. “Change begins with you, change begins with me”. He said promiscuity is a problem of self-control, and called for self-discipline. “There is hope, open your Bible, read and believe it and change how you live”.

For his part, the CEO Mr. Thula Kaira, focused on the role of leadership in the fight against HIV and AIDS. He said leadership can easily isolate itself from the fight against AIDS in various ways. “These include messages that are targeted at downstream people and not leaders themselves; not creating an environment

where people do actually feel safe and secure to express their affliction or connection with HIV/AIDS”. He said the primary role of leadership is to create an environment that is effortlessly able to address HIV/AIDS throughout the year.

“As an obvious representative of the leadership of the Competition Authority, I have noted that no one has ever opened up to me on their status and only two people have shared stories of how their relatives have been affected. Clearly, out of over 30 people, this is a very small if not negligible number and it has got me thinking as to where we could have got it all wrong” Kaira said.

He urged leaders to follow the example set by Jesus and be approachable, compassionate, non-judgmental, humble, and loving. “This, I believe, is the spirit we should aspire to have if at all AIDS talk at the Authority and elsewhere will not just remain a 1st of December event”, the CEO noted. The general theme for Botswana between 2011- and 2015 for World Aids Day has been: Zero New HIV Infections. Zero Discrimination, Zero AIDS Related Deaths.

## Ms. Rebecca Rabakane

The Botswana Competition Bulletin continues to profile CA employees. This edition features Ms. Rebecca Rabakane who is employed as Office Assistant since 1st November 2011:

**Rebecca:** I am a single mother of two who was born and grew up in Lecheng Village where I started my primary and secondary education. I proceeded with my BGCSE in Moeng College and completed in 2000. In 2001 I studied Microsoft word processing at Palapye Technical College and then proceeded to study Secretarial Studies which I successfully completed in 2003.

**BCB: What are your duties and responsibilities at the CA?**

**Rebecca:** As Office Assistant I timeously circulate internal correspondence files, assist with stock control and internal supply, provide relief duties at the front office, ensure that refreshments are availed as requested and ensure cleanliness of offices and surroundings.

**BCB: What did you do before joining the CA?**

**Rebecca:** I worked for Botswana Tourism Organisation as an Office Assistant.

**BCB: What are your experiences at the Authority so far?**

**Rebecca:** The Authority has a larger group of people as compared to the BTO office in Tsabong where I used to work, so that made me to interact with different characters and learn so many things.

**BCB: What is the best thing that has happened to you at the CA?**

**Rebecca:** I managed to further my studies while working for the Competition Authority as it was my dream to see myself graduating with a degree one of the good



Ms. Rebecca Rabakane

days. Currently I am studying International Diploma in Business at Institute of Development Management (IDM) Gaborone Campus with hope of going to the Advanced level and then a degree.

**BCB: What do you find most challenging about the CA?**

**Rebecca:** My first days at the Competition Authority were quite challenging because I Joined the Authority without knowledge of the basics of competition law. As members of the public came in to inquire about the services of the Authority it was a challenge because I hard to learn and at the same time deliver the service.

**BCB: If you were to leave the CA now what special memories would you take with you?**

**Rebecca:** I like the team spirit that CA employees display on a daily basis. Mostly I enjoy the team building exercises that we normally do. The most memorable trip is the one I undertook with the Department of Legal and Enforcement to Francistown.

**BCB: Where do you see yourself five years from now?**

**Rebecca:** Through the grace of God in five years I will be managing my own business.

**BCB: Is there anything else you would like to share?**

**Rebecca:** Yes, to my friends out there I can simply say Competition Authority is the place to be. You will never regret working for the Authority particularly the work life balance that is in abundance.



Mr. Botsalo Makolo- recipient of the Mokgankgara Service Leadership Award 2015

## CA's BOTSALO MAKOLO SCOOPS ANOTHER COVETED AWARD

The Competition Authority's Receptionist-cum-Secretary Botsalo Makolo scooped the Mokgankgara Service Leadership Award at the annual Diamond Service Awards on 26th November 2015.

The theme for this year's awards was "Service moments of Truth; Living the Brand" According to the organisers, the award winners this year were brand advocates who promote the brand through service excellence. "These are men and women who breathe life to

their organisations' corporate customer service promise, they have the ability to build a positive brand image and skillfully craft excellent solutions as per customer needs. These officers really view each customer contact as an opportunity to build their organisations' brand by rendering the very best customer service and experience".

In May 2015, Mr. Makolo won the coveted Office Manager of the Year Award from Business Botswana (formerly BOCCIM).

## The Year that was - Competition Authority in 2015



### AWARDS

- **Mr. Botsalo Makolo**
- Mokgankgara Leadership Award (November 2015)
- BOCCIM Office Manager of the Year (May 2015)



### EMPLOYEE EDUCATIONAL ADVANCEMENT

- **Mr. Tonny Kolanyane** : Certificate in Archives and Records Management (Institute of Development Management/IDM)
- **Mr. Ernest Bagopi, Mr. Innocent Molalapata, Ms. Gladys Ramadi, Ms. Tshepo Wadipeba**: Certificate in Finance for Non-Financial Managers (Botswana Accountancy College/BAC)
- **Mr. Gideon Nkala**: Msc Strategic Management (University of Derby)



### RESIGNATIONS

- **Dr. Mokubung Mokubung**: (Former Director Competition and Research Analysis) - Joined SPEDU as CEO
- **Mr. Tebogo Dikgang**: (Former Procurement Intern) - Joined Department of Animal Production as Assistant Procurement Officer
- **Mr. Keolopile Lekgoanyana**: (Former PA to CEO) - Joined Debswana as PA to Managing Director
- **Ms. Sethunya Sejo**: (Former Mergers Intern) - Joined Econsult as Economist
- **Ms. Bokamoso Semong**: (Former Legal Intern) - Joined Tholoana Phooko Attorneys as Pupil Attorney



### WEDDINGS

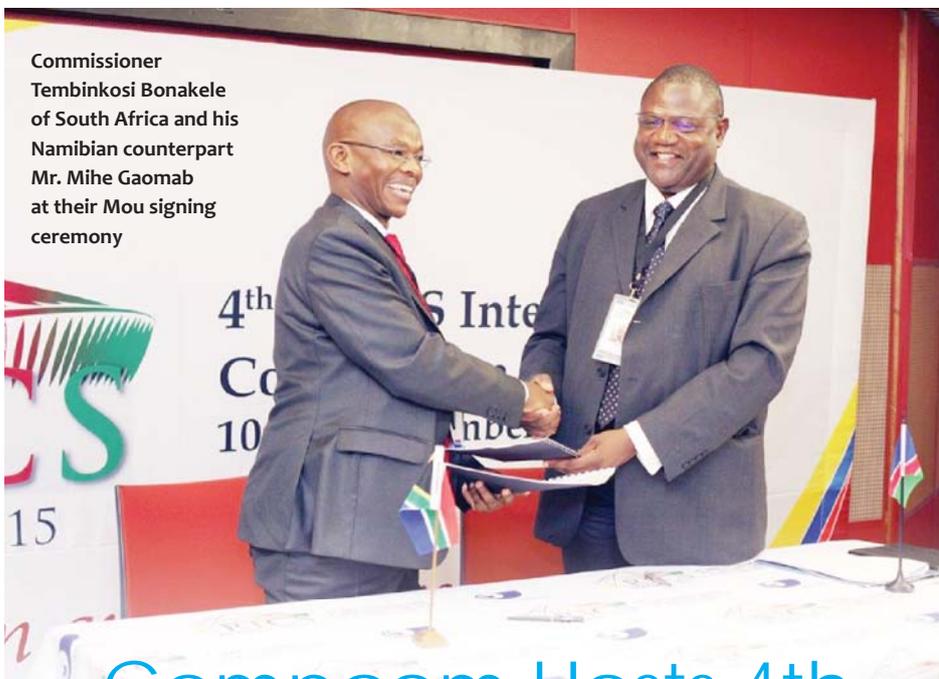
- **Mr. Mooketsi Ntwaagae**: Joined Lesego in holy matrimony on 21<sup>st</sup> November 2015
- **Mr. Morulaganyi Modikwa**: Will get married on 19<sup>th</sup> December 2015

### CA-BABIES

- **Ms. Neo Gopolang, Mr. Kesego Modongo and Mr. Othusitse Oletile** were blessed with baby boys



Commissioner  
Tembinkosi Bonakele  
of South Africa and his  
Namibian counterpart  
Mr. Mihe Gaomab  
at their MoU signing  
ceremony



## Compcom Hosts 4th BRICS International Competition Conference

The 4th BRICS International Competition Conference was held in Durban, South Africa from 12th to 13th November 2015. The BRICS Conference takes place every two years and all the BRICS member states rotate in hosting this conference. (BRICS is an association of the five major emerging economies of Brazil, Russia, India, China and South Africa).

The BRICS Conference brings together competition authorities, practitioners, policy experts and other stakeholders from BRICS and other countries to debate and explore developments in competition policy and enforcement.

The theme for this year's BRICS conference was "Competition and Inclusive Growth". "This is an important issue for BRICS member states as they are uniquely placed to promote and expand an appreciation of competition regulation that recognises the specific needs and demands of the developing world" Compcom said in a statement.

"The BRICS conference is a strategic platform to explore developing country perspectives on competition policy, and to get an update and insights on developments in BRICS countries. For

this reason, this conference is fast becoming an important date in the international antitrust calendar" said Commissioner Tembinkosi Bonakele.

Meanwhile, on the sidelines of the conference, the Competition Commission of South Africa on 11th November signed a memorandum of understanding (MoU) with its Namibian counterpart. Compcom said the MoU between the two SADC nations aimed at promoting cooperation in the field of competition law and policy enforcement is the first of its kind in the African competition landscape.

"We thank the Namibian Competition Commission for their cooperation. I'm grateful we're able to formalise our relations. Our laws tend to be similar which makes cooperation easier," said Compcom's Commissioner Tembinkosi Bonakele. Namibian Competition Commission Chief Executive Officer Mihe Gaomab said that the signing of the MoU is a historic moment for them, and it will improve cooperation between the two authorities, especially on multi-jurisdiction projects, such as mergers.

Source: South African Competition Commission

## CA Holds Open Day to Celebrate World Competition Day

From Page 1

Kaira said arising from this, Botswana adopted the National Competition Policy in 2005, enacted the Competition Act in 2009, and set up two implementing institutions the Competition Commission (i.e., the board and adjudicating organ) in 2010, and the Competition Authority (the investigating organ) in 2011. "The fabric of both the National Competition Policy and the Competition Act borrows heavily from the recommendations in the UN Set" he noted.

Kaira further called for vigilance by all in procurement matters. "Government itself, its departments, and local authorities are big consumers of goods and services and the prices at which they pay for those goods and services, terms of delivery and quality, must be their concern. Private businesses are equally consumers of intermediate goods and services from other businesses.

They may also be affected by excessive prices or unfair practices of their suppliers or dominant customers through prohibitive terms and conditions. Consumers should equally be concerned at the prices they pay for goods and services, the quality and availability" he said. Explaining the role of competition law and policy, Kaira said both in word and in their application, they assist private business to create such wealth, which wealth results in greater tax revenues for the State, higher number of jobs created and the quality thereof, competitive prices and better quality and delivery of goods and services.

"We must therefore not be so worried when legitimate business in our society is thriving beyond expectation. The prosperity of business is the prosperity of society. Our role should be to ensure that both existing and prospecting business interests have fair access to the business opportunities and growth in society. In this context, our role as a competition authority is not to fight battles for competitors against each other, rather to regulate use of anti-competitive power in the market" he said.

# COMPETITION AUTHORITY IN PICTURES

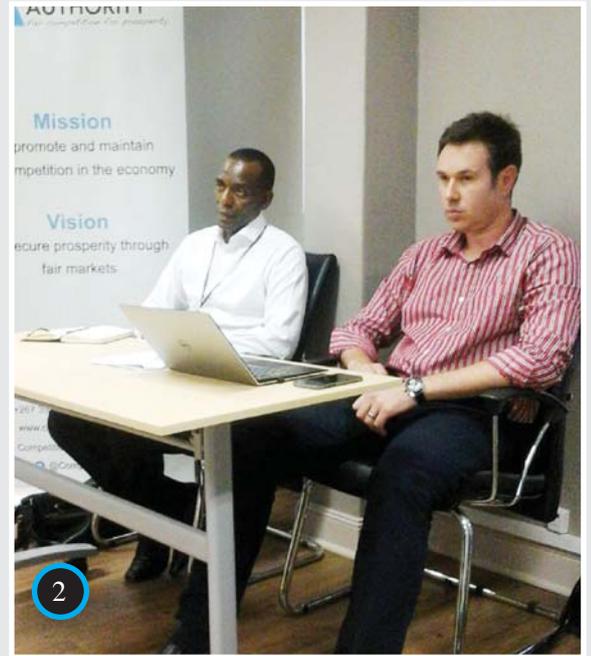
## CA Holds Open Day to Celebrate the 2015 World Competition Day



### Captions

**1.** Mr. Kesego Modongo from the Legal and Enforcement Department speaking to Mr. Otsile Kgosi from DesignSurgery **2.** The Competition Commission's Ms. Tebogogile Tyolo talking to a guest **3.** Some of the guests during the Open Day **4.** Ms. Patricia Raditholo and Ms. Sethunya Sejoe listening at one of the departmental booths **5.** Mr. Innocent Molalapata of the Mergers Department explaining to a guest and Btv's Mr. Peter Batsalelwang **6.** Mr. Kamogelo Ditsele from Corporate Services talking to Mr Brandon Basele of Econsult

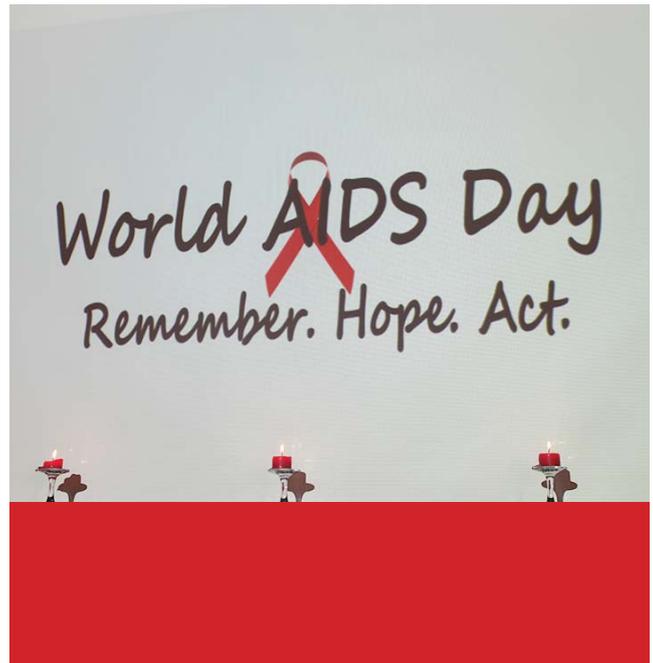
# PUBLIC HEARINGS ON KFC AND BIC PROPOSED ACQUISITIONS ON 30<sup>TH</sup> NOVEMBER AND 7<sup>TH</sup> DECEMBER 2015



## Captions

1. Representatives of the BIHL/BIC merging parties Ms. Gorata Dibotelo and Mr. Zeyn Bhyat 2. Representatives of the KFC/ Callus (Pty) Ltd merging parties Mr. Anthony Siwawa and Mr. Fritz Grobbelaar 3. Industry representatives asking questions during the KFC/ Callus (Pty) Ltd hearing 4. Mr. Andre Bester BIHL CFO and Mr. Gaffar Hassan BIHL CEO at the BIHL/BIC hearing

# CA Staff Observe World AIDS Day on 1st December 2015

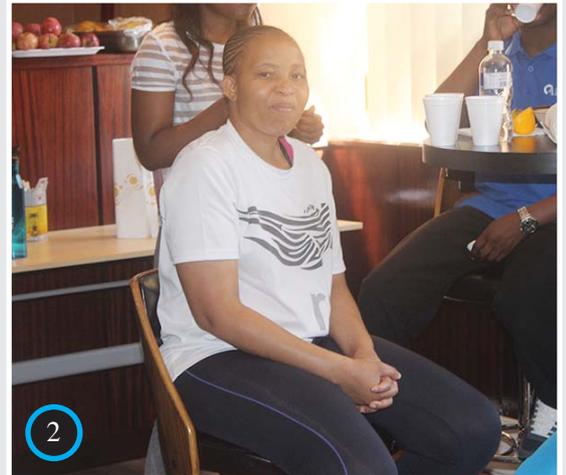


## Captions

1. CA gentlemen with invited guests Ms. Onalethata Mpebe and Prophet Mogotsi Baloyi and CEO Mr. Thula Kaira on World AIDS Day 2. Ms. Sebilongwe presenting Ms. Onalethata Mpebe with a token of appreciation

# EMPLOYEE PROFILE

## REBECCA RABAKANE



### Captions

1, 2, 3: CA's Office Assistant, Ms. Rebecca Rabakane

## FESTIVE SEASON CLOSURE 2015/16



The Competition Authority will close for the Christmas and New Year Holidays on Friday 18th December 2015, which will be the last working day of the year. The office will reopen on Monday 4th January 2016. We wish all our valued stakeholders happy and safe holidays!

### HOW TO CONTACT US



### Editorial Team

**GIDEON NKALA:** [gideon.nkala@competitionauthority.co.bw](mailto:gideon.nkala@competitionauthority.co.bw)  
**GLADYS RAMADI:** [gladys.ramadi@competitionauthority.co.bw](mailto:gladys.ramadi@competitionauthority.co.bw)  
**KELEBOGILE NGWENYA:** [kelebogile.ngwenya@competitionauthority.co.bw](mailto:kelebogile.ngwenya@competitionauthority.co.bw)

**Phone:** +267 3934278

**Fax:** +267 3121013

**Postal:** Private Bag 00101, Gaborone

**Facebook:** Competition Authority Botswana

**Twitter:** @CompetitionBots

Visit the Competition Authority website [www.competitionauthority.co.bw](http://www.competitionauthority.co.bw) where you can download the Competition Act 2009, Competition Regulations 2011, the National Competition Policy 2005 and other documents.