

CCA APPROVES MOWANA COPPER MINE TAKEOVER

The Voice (Botswana) · 29 Oct 2021 · BY KABELO ADAMSON

The Competition and Consumer Authority (CCA) has given Max Power Limited (MPL) the go-ahead to acquire 100 percent issued shares in Cradle Arc, a company that controlled Mowana Mine in Dukwi.



Having received the transaction notice last month, the CCA has completed its assessment of the deal, and as a result, unconditionally approved it.

Regarding the substantial lessening of competition, the Authority said the proposed transaction involves the acquisition of shares by an entity that is not active in the market within which the target enterprise is active.

“Therefore, the acquisition is not expected to reduce the level of competition in the market under consideration in Botswana,” CCA Chief Executive Officer (CEO), Tebelelo Pule said. She noted the resuscitation of the Mowana Mine will result in increased competition in Botswana’s copper mining sector.

“The Authority, therefore, does not expect the proposed transaction to give rise to any substantial lessening of competition; restrict trade or the provision of services; or to endanger the continuity of the mining of copper and production of copper concentrate in Botswana,” she explained.

In terms of public interest arising from the deal, Pule said the Authority does not foresee any detriment to matters of public interest that will arise as a result of the proposed transaction.

“The findings of the assessment show that the proposed transaction will not have any adverse effects on levels of employment in Botswana,” she said.

She highlighted the proposed transaction will increase the levels of employment and as at the time of the assessment, MPL, through its subsidiary, MP Mining, employed 317 people in addition to the existing 11 Leboam employees as of 20 September, 2021 and out of the 271 workforce, 265 are Botswana citizens.

Leboam is a mining entity that operates Mowana Copper Mine in which Cradle Arc held a 60 percent stake.

In addition, Pule said the transaction will have a positive impact on the competitiveness of small entrepreneurs since the revival of Mowana Mine has resulted in the acquiring enter-

prise sub-contracting SMMES for food and lodging at the site; security; and service and repairs of equipment.

Mowana Copper Mine has been under provisional liquidation since December 2018 when its operator ran into financial troubles.

In the same year, Cradle Arc applied to the court to have Leboam placed under provisional liquidation due to financial problems.