



COMPETITION COMMISSION OF PAKISTAN
GOVERNMENT OF PAKISTAN

EXEMPTION ORDER

IN THE MATTER OF EXEMPTION APPLICATION FILED BY M/S. MARTIN
DOW MARKER LIMITED FOR EXEMPTION OF SUPPLY AGREEMENT

CASE: 2(640)/AGR/EXM/CCP/2024

Commission

Mr. Saeed Ahmad Nawaz
Member (Exemptions)



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1. M/s. Martin Dow Marker Limited (hereinafter referred to as the **Undertaking**) applied for the grant of extension in exemption dated 8th May, 2025 for the restrictive clauses 2.2 of the Supply Agreement, (hereinafter referred to as the **Agreement**) on the Board Resolution dated 25th April, 2025 submitted to the Competition Commission of Pakistan (hereinafter the **Commission**).
2. The undertaking is an unlisted public limited company originally incorporated as a private limited company incorporated on 24th March, 1951. The company is engaged in the business of manufacturing and marketing of pharmaceutical products in Pakistan. The annual turnover of the undertaking for the year 2023 is PKR 23.9 Billion.
3. The Application was made pursuant to Section 5 of the Competition Act, 2010 (the Act), read in conjunction with Competition (Exemption) Regulations, 2020, on the following grounds:
 - i. Make the availability of world class drugs at affordable price;
 - ii. Provide the opportunity to manufacture and market the innovative drugs; and
 - iii. Lead to availability and choice of a safe and efficacious medicine to manage blood pressure and diabetes.
4. The agreement is essentially an arrangement for not to deal with non-parties and may, therefore, violate Section 4 (2) (a) and (f) of the Act and institutionalize charging of economic rent, reducing consumer surplus and social welfare. Relevant particulars of the Agreement are as follows:

First Party:	M/s. Merck Export GmbH/ ('Supplier') having its registered office at Frankfurter StraBe 250, 64293 Darmstadt, Germany
Second Party:	M/s. Martin Dow Marker Limited ('Customer') having its registered office at 5 th Floor, Nice Trade Orbit Building, Plot 44-A, PECHS, Block 6, Razi Road off Shahrah-e- Faisal, Karachi.
Type of Agreement:	Supply Agreement (the Agreement) – Annex A
Date of Agreement:	9 th December, 2016
Validity period of the Agreement:	Pursuant to Article 15, the Agreement is effective for a period of five (10) years from the effective date unless terminated earlier
Product(s)/Services/ Business covered under the Agreement:	Active pharmaceutical ingredients (APIs) for the manufacturing of Glucophage, Glucovance and Concor as mentioned in Schedule 1 of the Agreement



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5. Based on the information provided by the Undertaking, the Commission in exercise of the powers conferred under Section 5 read with Section 9(1)(a)(b)(c) of the Act hereby grants exemption, subject to the conditions specified in para 7 below, regarding following clauses of the Agreement.:

Exemption granted: On Clause 2.2- Obligations to Purchase

Granted period: From 1st July 2025 to 30th June 2027.

6. In view of the above, the Exemption granted shall be subject to the conditions that the Undertaking shall ensure the following:
- i. It does not engage in any anticompetitive behavior and/or practices as outlined in Chapter II of the Act, including but not limited to:
 - a. Abuse of dominant position u/s 3;
 - b. Prohibited agreements u/s 4;
 - c. Deceptive marketing practices u/s 10;
 - d. Any mergers or acquisition in violation of Section 11; and
 - e. Charging of economic rent to the detriment of consumer surplus and social welfare.
 - ii. The exemption shall not be used as a permission for transfer pricing or to evade regulatory restrictions, if any against transfer pricing;
 - iii. Notify the Commission of any amendment(s) to the Agreement within fifteen (15) days of such change, and also provide a copy of the executed agreement;
 - iv. In case of having an ongoing Agreement, submit an application for grant of extension in exemption at least three (3) months prior to expiry of this Order.
 - v. It recognizes that the Commission reserves the right to verify the following against the baseline benchmarks (to be provided by the undertaking within thirty (30) days of issuance of this Order):
 - a. Availability of world class drugs at affordable prices;
 - b. Reduction in Stock outs;
 - c. New or improved drugs for the patients of diabetes and blood pressure; and
 - d. Details of tangible and verifiable benefits passed on to the consumers.
 - vi. Submit a verifiable compliance report on June 30th each year against the commitments made for the grant of this exemption; and
 - vii. No breach of terms of this exemption takes place as it shall have an immediate effect of cancellation of this exemption.



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7. The Commission may review and revise the terms and conditions of this Exemption, as deemed necessary. Furthermore, without prejudice to the generality of Section 6 of the Act, the grantee of the exemption shall inform the Commission forthwith and seek clearance for continuation of the exemption if there is any material change, inter alia, in:
 - (i) The terms of the Agreement;
 - (ii) The market share of products and/or services covered under the Agreement; or
 - (iii) The regulatory or policy framework in the relevant market in which the parties are operating.
8. In the Agreement, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
9. It is so ordered.

Saeed Ahmad Noor
Member (Exemptions)

ISLAMABAD, the 30th October, 2025