




**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

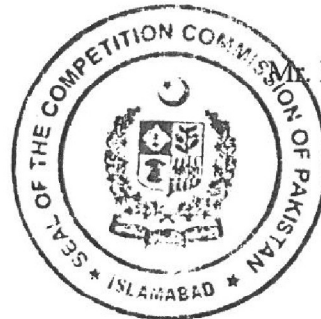
FIRST PHASE REVIEW


**IN THE MATTER OF ACQUISITION OF 100% SHAREHOLDING BY M/S.
AVIENT CORPORATION IN M/S. DSM PROTECTIVE MATERIALS B.V AND
M/S. DSM PROTECTIVE MATERIALS INTERNATIONAL B.V ALONGWITH THE
MEMBERSHIP INTERESTS OF M/S. DSM PROTECTIVE MATERIALS LLC
INCLUDING THE DYNEEMA® BRAND AND OTHER ASSETS RELATED TO THE
SELLER'S PROTECTIVE MATERIALS BUSINESS FROM M/S. KONINKLIJKE
DSM N.V**

CASE: 1291/Merger-CCP/22

Commission


Ms. Rahat Kaunain Hassan
Chairperson




Mr. Mujtaba Ahmad Lodhi
Member

ORDER

1. On 10th May, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") concerning M/s. Avient Corporation's ("**Avient**" or "**Acquirer**") proposed acquisition of 100% shares of M/s. DSM Protective Materials B.V. ("**DSM PM**") and M/s. DSM Protective Materials International B.V. ("**DSM PMI**"), as well as all of the issued and outstanding membership interests of M/s. DSM Protective Materials LLC ("**DSM PM LLC**"), including the Dyneema® brand (collectively referred to as "**DPM**" or "**Target**") and other assets related to the protective materials business of M/s. Koninklijke DSM N.V.'s ("**Seller**") from the Seller pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**"). All requisite information/documentation pertaining to the application was completed on 24th June, 2022
2. The Commission has examined the Application as well as all the documents attached therewith, the information provided by the undertakings concerned and the market scenario. The Phase I competition assessment of the intended transaction reveals the following facts:
 - i. The undertakings concerned are:

- a. Acquirer: A public limited company incorporated in Ohio, United States of America. The Acquirer is a formulator of specialized and sustainable material solutions. Avient's products include specialty engineered materials, advanced composites, colors and additive systems and polymer distribution as well as being a developer and manufacturer of performance enhancing additives, liquid colorants and fluoropolymer. It has 102 manufacturing sites and 8 distribution facilities in North America, South America, Europe, Middle East, Asia and Africa.

In Pakistan, the Acquirer has, indirectly, a wholly-owned subsidiary, M/s. Avient Pakistan (Pvt.) Limited, which is primarily involved in the manufacturing and sale of color and additive master-batches (master-batches are color and additive concentrate solutions in a liquid or solid polymer carrier for plastics processing).

- b. Target: DPM develops, produces and sells synthetic resins and fibers under the brand name of Dyneema®. DPM manufactures an ultra-high molecular weight polyethylene fiber (UHMwPE), which is sold in several forms including UD, fiber and fabrics and can be used in ropes, nets, slings, protective gloves, used for ballistic protection for vests, panels and helmets and in apparel clothing. It is a global player with 80% of net sales generated in the markets of North America and Europe.

DPM has presence in Pakistan through its sales in fiber composites as well as in the personal protection and mechanical industrial segments.


- c. Seller: It is a Dutch multinational science-based company engaged in Nutrition, Health & Sustainable Living. Its business groups are clustered in coherent product and market combinations: Animal Nutrition & Health (products serve the global feed industry), Human Nutrition, Care & Health (products include vitamin supplements, personal care/nutrition solutions, personal care and aroma ingredients, and human milk solutions) Food & Beverages (providing specialty food enzymes, cultures, probiotics, bio-preservation, texturizing hydrocolloids,



sugar reduction and savory taste solutions to customers in the food and beverage industry such as dairy, baking and beverages) and Materials (producing specialty materials for global end markets such as electrical components and electronics, automotive, food packaging, medical, personal protection, commercial marine and apparel).

The Seller has, indirectly, a wholly-owned subsidiary in Pakistan, namely Erber Biotech Pakistan (Pvt.) Ltd. It is mainly active in the field of food and feed safety with a focus on natural feed additives and feed and food analysis.

- ii. The total consideration for the transaction is approximately EUR 1,380,300,000 estimated to be equivalent to PKR 295.3 billion¹.
 - iii. The relevant product market in this case has been identified as the manufacturing and sale of “**Ultra-High Molecular Weight Polyethylene (UHMwPE) products**” and the relevant geographic market is “**Pakistan**”. Although the undertakings concerned have presence globally, as stated above, DPM has relevant product sales to numerous entities present in Pakistan.
 - iv. DPM’s overall market share in the relevant market is estimated to be under 1%. It is observed that that the Acquirer does have a relationship with the Target through its subsidiaries as it has bought and sold Dyneema materials. Avient is also involved in fiber processes of braiding, twisting, coloring and coating through its Fiber-Line business. However, in Pakistan, as mentioned above, Avient’s wholly-owned subsidiary is in a different line of business related to providing master-batches that may be used for plastic processing. Hence, the Acquirer has no presence in the relevant product market and there are no overlaps between the operations of the Target and Acquirer in Pakistan. Post-transaction, the market share of the Target will remain the same.
3. Ancillary restrictions have been reported with this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations 2020. This Order is without prejudice to any such requirements.
 4. In conclusion, the intended transaction, does not meet the presumption of dominance as determined under Section 2 (1) (e) read with Section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
 5. It is so ordered.


(Mr. Rahat Kaunain Hassan)
Chairperson
Islamabad the JULY 22nd, 2022.


(Mr. Mujtaba Ahmad Lodhi)
Member

¹ Transaction Value being calculated in PKR at conversion rate of Rs.214/Euro approximately as at 13-06-2022.