



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING BY M/S.
MORINAGA MILK INDUSTRY CO., LTD OF M/S. NUTRICO MORINAGA
(PRIVATE) LIMITED FROM M/S. ICI PAKISTAN LIMITED, MR. MANZOOR
AHMED, MRS. YASMIN MANZOOR, MR. SHAMOON SULTAN, MS. SHEEMA
SULTAN, MS. AMNA SULTAN, MR. AHSAN KHALIQ, MR. BILAL KHALIQ, MRS.
ZAHIDA ARSHAD, MR. SHAHID ABDULLA, MRS. SHEHNAZ ISMAIL AND MS.
MAYA INAYAT ISMAIL

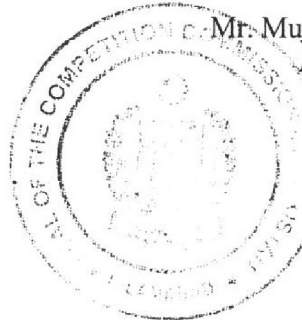
CASE: 1342/Merger-CCP/2022

Commission

Ms. Rahat Kaunain Hassan
Chairperson

Mr. Mujtaba Ahmad Lodhi
Member

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ORDER

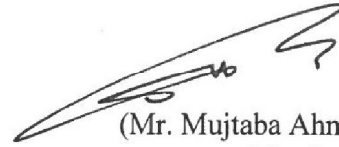
1. On 29th November, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. Morinaga Milk Industry Co., Ltd ("**Morinaga**" or "**Acquirer**"), concerning the proposed acquisition of _____% shareholding of M/s. Nutrico Morinaga (Private) Ltd ("**Nutrico Morinaga**" or "**Target**"), from M/s. ICI Pakistan Limited ("**ICI Pakistan**" or "**Seller 1**"), Mr. Manzoor Ahmed ("**Mr. Manzoor**" or "**Seller 2**"), Mrs. Yasmin Manzoor ("**Mrs. Yasmin**" or "**Seller 3**"), Mr. Shamoos Sultan ("**Mr. Shamoos**" or "**Seller 4**"), Ms. Sheema Sultan ("**Ms. Sheema**" or "**Seller 5**"), Ms. Amna Sultan ("**Ms. Amna**" or "**Seller 6**"), Mr. Ahsan Khaliq ("**Mr. Ahsan**" or "**Seller 7**"), Mr. Bilal Khaliq ("**Mr. Bilal**" or "**Seller 8**"), Mrs. Zahida Arshad ("**Mrs. Zahida**" or "**Seller 9**"), Mr. Shahid Abdulla ("**Mr. Shahid**" or "**Seller 10**"), Mrs. Shehnaz Ismail ("**Mrs. Shehnaz**" or "**Seller 11**") and Ms. Maya Inayat Ismail ("**Ms. Inayat**" or "**Seller 12**"), collectively as ("**Sellers**") in accordance with the Share Purchase Agreement ("**Agreement**").
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: Morinaga is a registered company in Japan primarily engaged in business activities relating to production and sale of dairy products in different countries including Pakistan. Morinaga is active in Pakistan through Target, holding its _____ % shares, and supplying most of the major raw materials to Target under trilateral trade agreements. Morinaga also owns manufacturing knowledge and trademarks of morinaga-products in Pakistan.
 - b. For the Target: Nutrico Morinaga is incorporated in Pakistan and engaged in the manufacturing, importing, marketing and distribution of powdered formula products in Pakistan
 - c. For the Sellers: there are twelve sellers, out of which one is a company incorporated in Pakistan. ICI Pakistan is a public listed company engaged in the business of polyester staple fiber, soda ash, chemicals, pharmaceuticals, nutraceuticals, animal health products and agri-sciences. ICI Pakistan is holding _____ % shares of the target, which post transaction will decreased to _____ %. Remaining eleven sellers are individuals and collectively holding _____ % shares in the target, which post transaction will decreased to _____ %.
 - ii. As per the Application, the transaction under consideration is the acquisition of _____ ordinary shares (_____ % shareholding) of the Target by the Acquirer from the Sellers. The total estimated amount under consideration to be paid for _____ shares is USD : _____ (approximately PKR _____).
 - iii. The relevant market in this case has been identified as "**Formula Milk Products**" and the relevant geographic market is "**Pakistan**".
 - iv. The Acquirer is operational in the relevant market of Pakistan through the Target. Through the proposed transaction, the Acquirer will increase its stake in the Target from _____ % to _____ %. However, Post-transaction market share of the Target is likely to remain unchanged at _____ %.



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. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
5. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
6. It is so ordered.


(Ms. Rahat Kaunain Hassan)

Chairperson


(Mr. Mujtaba Ahmad Lodhi)

Member

Islamabad the 8th December, 2022.

