

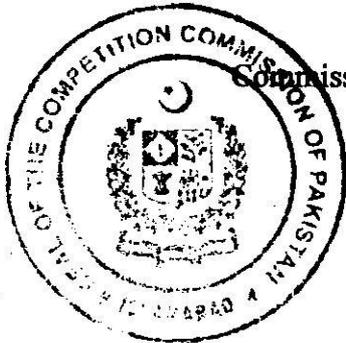


**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF MERGER OF M/S. MILCOBEL CV WITH AND INTO M/S.  
ZUIVELCOOPERATIE FRIESLANDCAMPINA U.A.**

**CASE: 1538/Merger-CCP/2025**



Commission

**Dr. Kabir Ahmed Sidhu  
Chairman**

## ORDER

1. On 16<sup>th</sup> May 2025, the Competition Commission of Pakistan (the “**Commission**”) received a pre-merger application (the “**Application**”) from M/s. Zuivelcooperatie FrieslandCampina U.A. (“**Merger Party 1**”), seeking approval of merger of M/s. Milcobel CV. (“**Merger Party 2**”) with and into Merger Party 1 pursuant to a Merger Agreement (hereafter the “**Agreement**”) dated 20<sup>th</sup> December, 2024.
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

### Merger Parties

#### **Merger Party 1**

3. Zuivelcooperatie FrieslandCampina U.A., a Dutch dairy cooperative, incorporated in Netherlands on 27<sup>th</sup> September 1947 under Dutch law. It is engaged in collecting milk from Netherlands and Belgium and processing milk into a wide range of dairy products and ingredients.
4. Through its various global operations, it supplies: (i) consumer products, including milk, yogurt, cheese, infant nutrition, and desserts; (ii) products for the professional market, such as cream and butter; and (iii) ingredients and semi-finished products for manufacturers of infant nutrition, the food industry, and the pharmaceutical sector.
5. In Pakistan, it operates through its subsidiary, FrieslandCampina Engro Pakistan Limited (“**FCEP**”), which is involved in the manufacturing and marketing of a wide range of dairy products, including cheese, cream, ice cream, desserts, ready-to-drink dairy beverages, and other dairy-based drinks.

#### **Merger Party 2**

Milcobel CV a company incorporated on 8<sup>th</sup> November 2004 under Belgian law, with its registered office at Fabriekstraat 141, 9120 Beveren, Belgium and registered in the Crossroads Bank for Enterprises under number 0870.019.427. Merger Party 2 is a

Belgian dairy cooperative that collects milk from its shareholders and suppliers and processes it into dairy products.

7. It has three main businesses in which following activities are carried out: (i) dairy premium ingredients for the international food and beverage industry; (ii) consumer products and Services for the consumer market including the import and distribution of cheese; and (iii) activities in the production of private label ice cream for European supermarket chains.
8. Merger Party 2 exclusively markets and sells its self-manufactured milk powder products in Pakistan under the brand names 'Inco' and 'Binco' through business-to-business (B2B) arrangements. It has no other commercial operations or activities within Pakistan.

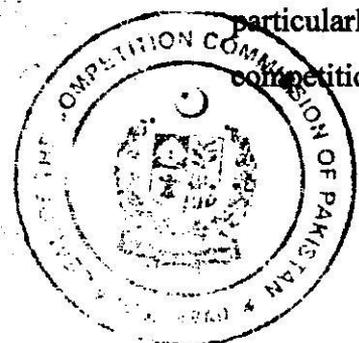
#### **Transaction**

9. According to Application and set out in Merger Agreement, the transaction involves the merger of Merger Party 2 with and into Merger Party 1. All assets and liabilities of Merger Party 2 shall be transferred to Merger Party 1 by way of universal succession of title, in accordance with the terms of the Merger Agreement.
10. Upon completion of the merger, each shareholder of Merger Party 2 shall become a member of Merger Party 1 under conditions identical to those applicable to existing members. Following the merger, Merger Party 2 shall be dissolved and cease to exist as a separate legal entity.

#### **Phase-I Competition Assessment**

##### **Procedural Review**

11. Based on the Application and information obtained subsequent to the Application, the Commission conducted a Phase-I competition assessment of the Application, including supporting documentation, to evaluate compliance with the Act and Merger Regulations, particularly focusing on potential competitive concerns, including market dominance and competition, post-merger.



### **Relevant Market**

12. The relevant product market, in this case has been identified as “Dairy Products - Milk Powder” while the relevant geographic market is “Pakistan”, which is consumed across the country.

### **Market Share**

13. According to the Applicant’s estimates and based on the Euromonitor report of 2024, the total market size for milk powder in Pakistan for the year 2024 is estimated at approximately            metric tons. This comprises approximately            metric tons attributable to the industrial segment, and            metric tons attributable to the retail and food service segments.
14. During the same period, Merger Party 1, through its subsidiary FCEP, and Merger Party 2 held individual market shares of    % (approximately            metric tons) and    % (around            metric tons), respectively, in Pakistan. Post-merger, the combined market share of the merged entity would be    % in Pakistan.

### **Competition Analysis**

15. The proposed Transaction qualifies as a horizontal merger, given the presence of overlapping activities between the Merger Parties within the relevant market. However, based on the submitted information regarding market share data, the Transaction is not likely to result in the enhancement of market power by the Merger Parties.
16. Furthermore, it is not expected to substantially lessen competition, nor is it likely to lead to the creation or strengthening of a dominant position within the meaning of Section 2(1)(e) of the Act.

### **Determination**

The Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. The proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.

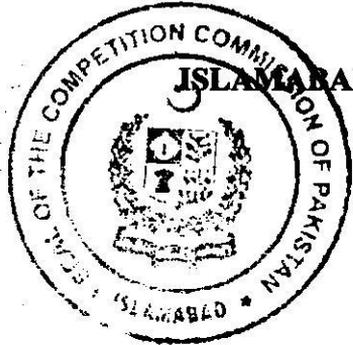
18. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.

19. It is so ordered.



Dr. Kabir Ahmed Sidhu

*Chairman*



ISLAMABAD, Sept 5<sup>th</sup>, 2025.