

BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

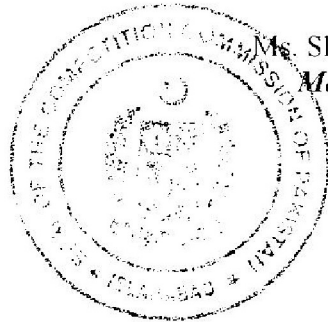
IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S. AISHA
STEEL MILLS LIMITED BY M/S. MARUBENI-ITOCHU STEEL INC. FROM M/S.
ARIF HABIB CORPORATION LIMITED.

CASE: 1233/Merger-CCP/21

Commission

Mr. Mujtaba Ahmad Lodhi
Member

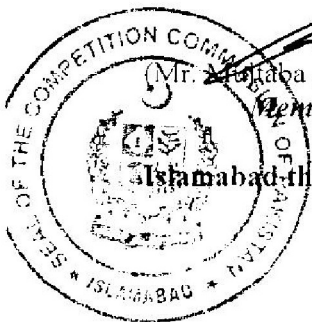
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Ms. Shaista Bano
Member

ORDER

1. On November 01, 2021 the Competition Commission of Pakistan ("Commission") received a pre-merger application ("Application") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("Act") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("Merger Regulations") whereby M/s. Marubeni-Itochu Steel Inc. ("Acquirer" or ("Applicant") intends to acquire 9% shareholding in M/s. Aisha Steel Mills Limited ("Target") from M/s. Arif Habib Corporation Limited ("Seller"), pursuant to a Share Purchase Agreement.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an independent research/investigation in the reportable market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: Manufacture of steel and allied products.
 - b. For the Target: A steel manufacturer. Its main products are Cold Rolled Coil and Galvanized Coil.
 - ii. The proposed transaction pertains to the acquisition of 9% shareholding by the Acquirer in the Target from the Seller. The funds will be transferred from a foreign account in Pak Rupees amounting to PKR _____/- (including all charges).
 - iii. The reportable product market identified in this case is that of "Cold Rolled Coil ("CRC") and Galvanized Coil ("GI")" having a geographic market identified as that of "Pakistan".
 - iv. The Acquirer is engaged in the supply of raw materials (i.e. Hot Rolled Coils) to the Target whereby the Target then uses such Hot Rolled Coils as raw materials for manufacturing CRC and GI, this constitutes a vertical relationship. The Acquirer also sells CRC and GI to customers other than the Target in Pakistan (in this respect, a horizontal relationship).
 - v. As per the submitted information, based on the estimates of the Applicant, the Target has a market share of . % while the Acquirer itself has a market share of 1%. Post-transaction, these figures are likely to remain the same
3. 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.
4. It is so ordered.



(Mr. ~~Shabana~~ Ahmad Lodhi)
Member

Islamabad the NOVEMBER 4th, 2021.

(Ms. Shaista Bano)
Member