



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

IN THE MATTER OF

FIRST PHASE REVIEW

MERGER OF TOTAL OIL PAKISTAN PRIVATE LIMITED WITH AND INTO
TOTAL PARCO PAKISTAN LIMITED.

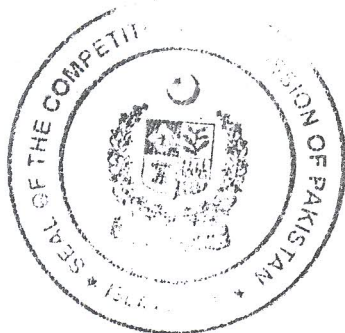
CASE: 760/Merger-CCP/15

Commission

Ms. Vadiyya Khalil
Chairperson

Mr. Mueen Batlay
Member

Mr. Ikram Ul Haque Qureshi
Member



ORDER

I Background

- 1 The Acquirer, Total PARCO Pakistan Limited (TPPL) submitted a pre-merger application (the "application") to the Commission dated 05/10/2015 (received on 08/10/2015), notifying the merger of Total Oil Pakistan Pvt Limited (TOPL) with and into Total PARCO Pakistan Limited (TPPL), along with a bank draft of Rs. 2,000,000 as processing fee applicable under Regulation 5 (6) of the Competition (Merger Control) Regulations 2007 (the "Regulations"). The case is examined in the light of the provisions of the Act, as well as the Regulations as under.

II Merger Parties

2 Acquirer

TPPL is a Joint Venture between Total Marketing Services of France (TMS) and Pak-Arab Refinery Company Limited (PARCO) which itself is a 60:40 joint venture between the Government of Pakistan and the Emirate of Abu Dhabi. TPPL was incorporated as a public limited company in 1974. Government of Pakistan holds 60% of the shareholding while 40% of the shares are held by Emirate of Abu Dhabi through its Abu Dhabi Petroleum Investment Company. Total Parco's prime objective has been to set up a network of Retail Stations in strategic locations across the country. TPPL is a corporate sector company in Pakistan with an asset base of approximately Rs. 1.5 billion.

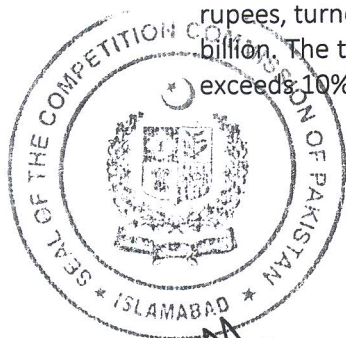
3 Target

TOPL is a private limited company incorporated in Pakistan and is jointly owned by PARCO and TMS with both of the shareholders holding 50% shares in TOPL. Company is engaged in the blending and marketing of lubricants.

III Transaction

- 4 TPPL and TOPL have same sponsors i.e. PARCO and TMS which each sponsor holding same percentage of shareholding (i.e. 50%) in TPPL AND TOPL, so no additional consideration is payable for the transaction.

- 5 The transaction meets the notification thresholds prescribed in Regulation 4(2)(a)(b)(c)&(d) as the acquirer's assets value more than Rs.300 million, combined assets are more than Rs.1 billion rupees, turnover of acquirer is more than Rs.500 million and combined turnover is more than Rs.1 billion. The transaction value also exceeds Rs.100 million and percentage of share to be acquired exceeds 10% of the total shareholding of the target.



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IV Relevant Market:

- 6 -The relevant market in this case is the Lubricant market.
7 -The Relevant Geographic market is Pakistan.
8 -Market position in the relevant market is as under:

Company Name	Market Share(%)
Shell	.%
PSO	.%
Chevron	.%
TPPL	.%
TOPL	.%
Others	.%

The above table shows that the market share of TPPL is .% and TOPL is .% so the post-merger market share of both undertakings will be .%, which is less than the threshold limit of 40%.

V Findings of the Phase I investigation of the Competition Assessment


- 9 The competition assessment in Phase I has resulted in the following finding:

The post-merger market share of TPPL will be .%, which is significantly less than the threshold limit of 40% of the total market, therefore the post-merger entity does not meet the presumption of dominance as determined under Section 3 of the Act.

VI Conclusion

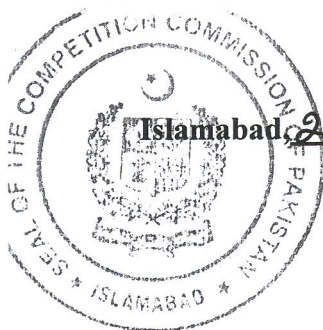
In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening a dominant position in the relevant market. The proposed transaction may therefore be authorized under Section 31(1) (d) (i) of the Act.

- 10 It is so ordered.


(Mueen Batlay)
Member


(Vadiyya Khalil)
Chairperson


(Ikram Ul Haque Qureshi)
Member



Islamabad, 24th November, 2015.