



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION OF 25% SHARES IN M/S. FAUJI AKBAR
PORTIA MARINE TERMINALS LIMITED BY M/S. CARGILL PAKISTAN
HOLDINGS (PVT.) LIMITED**

CASE: 1118/Merger-CCP/20

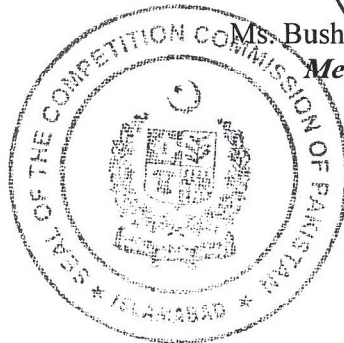
Commission

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Mr. Mujtaba Ahmad Lodhi
Member

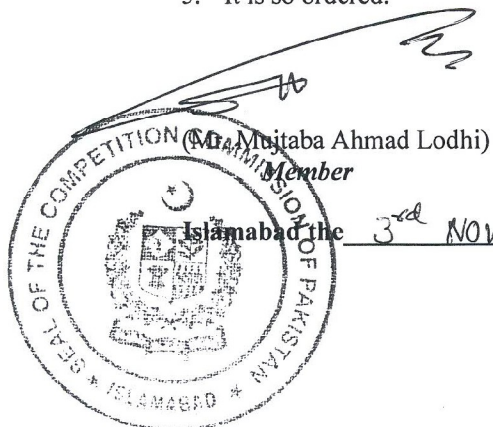
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Ms. Bushra Naz Malik
Member



ORDER

1. On 16th October, 2020 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**") from M/s. Cargill Pakistan Holdings (PVT.) Limited ("**CPHL**" or "**Acquirer**") whereby it intends to acquire 100% shareholding in M/s. Fauji Akbar Portia Marine Terminals Limited ("**FAP Terminals**" or "**Target**") from M/s. Fauji Foundation ("**FF**" or "**Seller**") pursuant to Share Purchase Agreement ("**Agreement**"). Upon preliminary investigation, it was found that some required information was missing and the last correspondence in relation to missing information was received on October 26, 2020.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant 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: engaged in trading of commodities i.e. soybean and palm oil with various customers across Pakistan.
 - b. For the Target: handles dry cargo (grain and fertilizer) at Port Qasim Terminal.
 - c. For the Seller: it is a trust that makes investments in various industries for welfare of ex-servicemen and their families
 - ii. The proposed transaction involves the Acquirer proposing to buy 100% of the issued share capital of the Target Company. The transaction consideration is estimated to be USD 100 million /- (Approx. PKR 100 billion as on October 27, 2020) pursuant to the Agreement. The transaction is executed locally and involves no foreign remittance as stated in the application.
 - iii. The Target companies belongs to the relevant product market of "**Handling and Storage of Agri Dry Bulk Goods**" having a geographic market identified as of "**Pakistan**". As per the Application, the relevant market size in terms of volume is approximately 100 Metric Tons during FY 2019/20 and in terms of value is approximately PKR 100 million. The Target has handles approx. 100 Metric Tons volume during the FY 2019/2020 which translates into an estimated market share of 100%.
 - iv. The Acquirer and Target have no overlaps therefore, post-transaction, market shares will remain unchanged.
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.
4. In conclusion, the proposed transaction meets the presumption of dominance as determined under Section (2) (1) (e) however, post-transaction the market conditions will remain unchanged as currently the Target is not able to influence the relevant market and the Acquirer is acquiring a non-controlling interest in the Target. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
5. It is so ordered.



(Ms. Bushra Naz Malik)

Member

Islamabad the 3rd NOVEMBER, 2020.

(Ms. Bushra Naz Malik)

Member