

**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

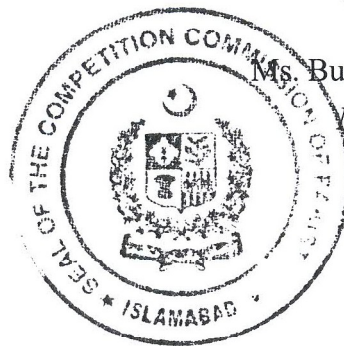
**IN THE MATTER OF JOINT VENTURE BETWEEN M/S. ZENITH ELECTRONICS
LLC AND M/S. LUXSOFT HOLDING INC.**

CASE: 1087/Merger-CCP/20

Commission

Ms. Shaista Bano Gilani

Acting Chairperson



Bushra Naz Malik

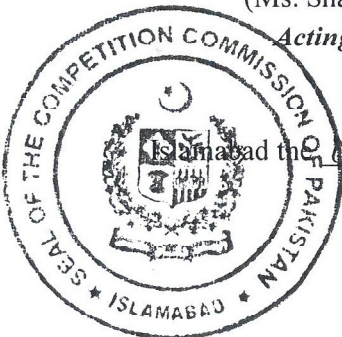
Member

ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") sent jointly by M/s. Zenith Electronics LLC ("**Zenith**" or "**JV Party 1**") and M/s. Luxoft Holding Inc., ("**Luxoft**" or "**JV Party 2**") (collectively "**JV Parties**") notifying the Commission of an intended Joint Venture between the JV Parties, whereby a new, jointly controlled full-function Joint Venture company will be created, ("**LC2 LLC**"), pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
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 concerned parties are:
 - a. For JV Party 1: LG Electronics Inc.'s US subsidiary for hospitality and broadcasting standards and technologies.
 - b. For JV Party 2: Technology services and consulting partner for digital strategy and software engineering.
 - ii. This transaction entails the creation of a jointly controlled full function Joint Venture between the JV Parties, i.e., LC2 LLC. Zenith will hold approximately 50% of the membership interest in LC2 LLC, while the remaining 50% will be held by Luxsoft. The total equity investment in LC2 LLC is US \$ 10 million (approximately PKR 100 million), which is the transaction value in this case.
 - iii. The relevant product market consists of (a) the provision of OS's, (b) Software development and integration services and (c) IVI systems, while the relevant geographic market is Pakistan. As LC2 LLC is not currently operational, its market shares in the three relevant product markets are currently Nil.
 - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended transaction does not meet the presumption of dominance as determined under Section 2 (1) (e) read with Section 3 of the Act.
3. In conclusion, the proposed transaction is unlikely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.


(Ms. Shaista Bano Gilani)
Acting Chairperson


(Ms. Bushra Naz Malik)
Member



Islamabad the MAY 08, 2020