



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

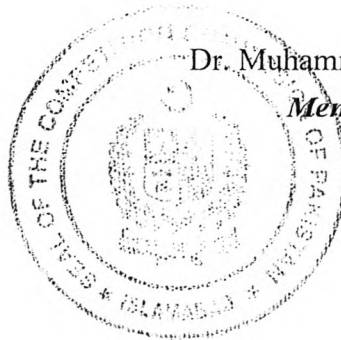
IN THE MATTER OF JOINT VENTURE BETWEEN M/S. LG ELECTRONICS INC.  
AND M/S. LUFTHANSA TECHNIK AG

CASE: 1028/Merger-CCP/19

Commission

Ms. Vadiyya Khalil  
*Chairperson*

Dr. Muhammad Saleem  
*Member*



## ORDER

1. The Competition Commission of Pakistan (“**Commission**”) is in receipt of a pre-merger application (“**Application**”) sent collectively by M/s. LG Electronics Inc. (“**LGE**” or “**JV Party 1**”) and M/s. Lufthansa Technik AG (“**LHT**” 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 (“**JV Co**”), 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 Joint Venture has resulted in the following findings:
  - i. The business activities of the concerned parties are:
    - a. For JV Party 1: Consumer Electronics, Mobile Communication Devices & Home Appliances.
    - b. For JV Party 2: Air transport of Persons and Cargo.
  - ii. As per the Application, the JV Parties intend to create a new, jointly controlled full-function Joint Venture company, i.e., JV Co, which will be a green field venture. The value of the assets to be transferred to JV Co are (approximately), which is the transaction value in this case.
  - iii. The relevant product market is In-flight Entertainment Systems, IFE for Commercial Jets, IFE for Business Jets, Cabin Management Systems, Cabin Lighting Systems, Display Systems for ceiling cabin or other panels, cabin digital signage or cabin welcome boards, Display Systems for Cabin Displays, Camera systems for passengers and cabin crew and Cabin related sensor systems. As per data provided by the Applicant, the market shares in said products range from - . The relevant geographic market is Pakistan. These market shares will remain unchanged, post-transaction, as the activities of LGE and LHT do not overlap.
  - iv. The transaction is not likely to result in the creation or strengthening of dominant position in the relevant market. The intended acquisition 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.

*Vadiyya Khalil*

(Ms. Vadiyya Khalil)  
Chairperson

*M. Saleem*

(Dr. Muhammad Saleem)  
Member



Islamabad the 28<sup>th</sup> MARCH 2019