



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF JOINT VENTURE BETWEEN M/S. DAELIM CO. LIMITED
AND M/S. BROOKFIELD ASIA PACIFIC DC KOREA HOLDINGS PTE. LIMITED
BY THE NAME OF M/S. GASAN DC JV CO. LIMITED.**

CASE: 1293/Merger-CCP/2022

Commission

Ms. Rahat Kaunain Hassan
Chairperson



Ms. Mujtaba Ahmad Lodhi
Member

MC

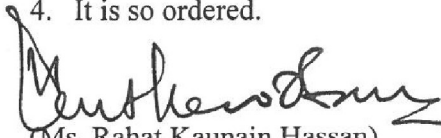
ORDER

1. On 24th May, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") concerning a joint venture under Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") between M/s. Daelim Co., Limited ("**DL**" or "**JV Party 1**") and M/s. Brookfield Asia Pacific DC Korea Holdings Pte. Limited ("**DCI**" or "**JV Party 2**"). In accordance with the Joint Venture Agreement ("**Agreement**"), JV Party 2 established M/s. Gasan DC JV Co. Limited ("**JVCO**") under the laws of Korea.
2. The Commission has examined the Application as well as all the documents attached therewith, the information provided by the concerned undertaking and the market scenario. The Phase I competition assessment of the intended transaction has revealed the following facts:
 - i. The concerned undertakings are:
 - a. JV Party 1: Petrochemical products, logistics/shipping, information technology service in South Korea. In Pakistan they are active in sales of polymer products, sales of polyethylene and plant construction.
 - b. JV Party 2: Asset Management Company, currently not operational in Pakistan.
 - c. JVCO: shall be primarily engaged in development and operation of data centers and provision of data center services in South Korea.
 - ii. As per the Agreement the transaction will take place in following steps:
 - a. JV Party 2 will inject additional capital of KRW 2,000,000,000 into the JVCO in cash. For this (2,000,000) common stock shares of the JVCO were issued to JV Party 2 at KRW 100 per share.
 - b. JV Party 1 subscribed to convertible bonds of the JVCO with a total face value of KRW 1,000,000,000 on December 28, 2021.
 - c. The value of the proposed transaction is KRW 49,900,000,000 (PKR as on June 07, 2022). JV Party 1 will hold 49.9% and JV Party 2 will hold 50.1% of the shareholding in JVCO.
 - iii. The relevant product market in this case has been identified as "**Colocation of Internet Data Center Service Providers**". JVCO's primary focus is its operations in South Korea therefore the market shares in Pakistan cannot be determined and the relevant geographic market cannot be restricted to Pakistan. As mentioned above, JV Party 1 only deals in polymer products & sale of polyethylene in Pakistan that has no overlap with the relevant product market.
The JV Party 2 currently has an estimated market share of 100% in Colocation of Internet Data Center Service Providers globally.



3. In conclusion, the proposed 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.


(Ms. Rahat Kaunain Hassan)
Chairperson


(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the JUNE 24th, 2022.