




BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

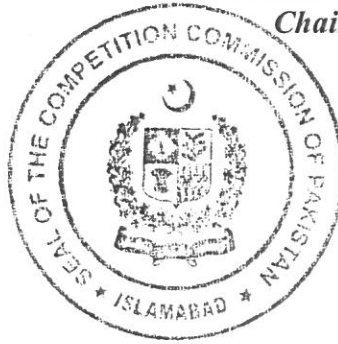
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF CERTAIN ASSETS OF M/S.BAYER
PAKISTAN (PRIVATE) LIMITED BY M/S. OBS PHARMA (PRIVATE) LIMITED.

CASE: 1352/Merger-CCP/2023

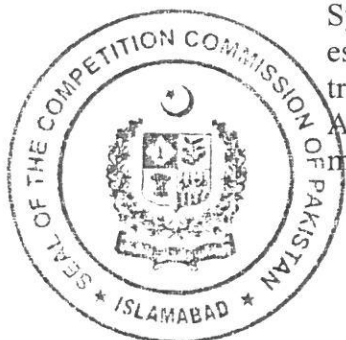
Commission


Ms. Rahat Kamrain Hassan
Chairperson



ORDER

1. On 17th January, 2023 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby, M/s. OBS Pharma (Private) Limited ("**OBS**" or "**Acquirer**") intends to acquire certain assets of M/s. Bayer Pakistan (Private) Limited ("**Bayer**" or "**Target**"), in accordance with the Asset Purchase Agreement ("**Agreement**"). All requisite information/documentation pertaining to the Application was completed on 26th April, 2023.
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:
 - i. The business activities of the undertakings concerned are:
 - a. For OBS: it's a special purpose vehicle, currently, it has not commenced operations. It is a wholly-owned subsidiary of M/s. Aitkenstuart Pakistan (Pvt.) Limited (the "**Parent**"), which was incorporated in Pakistan on November 08, 2007 and is a part of the AGP Pharma group companies, which operates in the pharmaceutical and healthcare sector. Post-transaction, OBS's principle activity will be to manufacture, market and sell pharmaceutical and healthcare products.
 - b. For Bayer: a private limited company incorporated in Pakistan that is engaged in the manufacturing, formulation, sale and trading of pharmaceutical & consumer health products, trading of crop protection products and import, marketing & sale of hybrid, other seed and herbicides.
 - ii. As per the Application, the transaction relates to acquisition of certain assets (which are mainly drug/pharmaceutical products and include the license and intellectual property associated therewith) from Bayer. The purchase price for the said assets is PKR
 - iii. The overall market is manufacturing and distribution of pharmaceutical products. The reportable market in this case has been identified as "**Progestogens**" and "**Systematic Antibacterial**" while relevant product markets have been identified as "**Psycholeptic**", "**Antiprotozoal and anthelmintic**", "**Topical Corticosteroids**", "**Anti-acne preparations**", and "**Antifungal Dermatological**", and the relevant geographic market is "**Pakistan**" as such products are used across the country where the conditions of competition are sufficiently homogenous.
 - iv. The OBS's parent and its associated companies (M/s. AGP Limited ("**AGP**") and M/s. OBS AGP (Pvt.) Ltd. ("**OBS AGP**")) are also active in Progestogens and Systematic Antibacterial with brand names Testiva, Algocin and Axcin with an estimated market share of less than % collectively. However, through the proposed transaction, the Parent will increase its presence in Progestogens and Systematic Antibacterial by % and % respectively plus gain presence in other relevant markets through this transaction.



- v. As per the application, market share of the brands to be acquired and its market share on the basis of direct and indirect competitors was provided by the Applicant using information obtained from the industry report by IQVIA Solutions Pakistan (Private) Limited and is as follows:

Product	Therapeutic Class ("TC") II	Individual Market Share in TC II	Combined Market Share in TCII
Noctamid	Psycholeptics	%	%
Resochin	Antiprotozoal and Anthelmintic	%	%
Primolut N	Progestogens	%	%
Gravibinan	Progestogens	%	
Testoviron	Progestogens	%	
Proviron	Progestogens	%	
Ciproxin	Systematic Antibacterial	%	%
Nerisone C	Topical Corticosteroids	%	%
Travocort BCN	Topical Corticosteroids	%	
Advantan BCN	Topical Corticosteroids	%	
Nerisone BCN	Topical Corticosteroids	%	
Skinoren BCN	Anti-acne preparations	%	%
Travogen BCN	Antifungal Dermatological	%	%

Source: Application

- The proposed transaction does not create or strengthen dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
- In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
- It is so ordered.


(Ms. Rahat Kaunain Hassan)

Chairperson

Islamabad the 9th MAY, 2023.

