




BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

ACQUISITION OF % SHAREHOLDING BY M/S. FLOW PETROLEUM (PRIVATE) LIMITED, M/S. ASLAM ENERGY (PRIVATE) LIMITED, MR. MUHAMMAD WARIS, MR. RANA MUHAMMAD ARIF AND MR. MUHAMMAD ASIF OF M/S. TRANSASIA REFINERY (PRIVATE) LIMITED FROM M/S. AL GHURAIR INVESTMENT LLC, M/S. TRANSASIA GAS INTERNATIONAL LLC, M/S. ZENERGY CORPORATION AND M/S. SAFDAR HOLDINGS (PRIVATE) LIMITED

CASE: 1247/Merger-CCP/2021

Commission

  
Mr. Mujtaba Ahmad Lodhi  
*Member*



  
Ms. Shaista Bano  
*Member*

## ORDER

1. On 8<sup>th</sup> December, 2021 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. Flow Petroleum (Private) Limited ("**FPPL**" or "**Acquirer 1**"), M/s. Aslam Energy (Private) Limited ("**AEPL**" or "**Acquirer 2**"), Mr. Muhammad Waris ("**Mr. Waris**" or "**Acquirer 3**"), Mr. Rana Muhammad Arif ("**Mr. Arif**" or "**Acquirer 4**"), and Mr. Muhammad Asif ("**Mr. Asif**" or "**Acquirer 5**"), collectively as ("**Acquirers**"), whereby, the Acquirers are acquiring 100% shareholding of M/s. TransAsia Refinery (Private) Limited ("**TRPL**" or "**Target**") from M/s. AL Ghurair Investment LLC ("**AGI**" or "**Seller 1**"), M/s TransAsia Gas International LLC ("**TGI**" or "**Seller 2**"), M/s. Zenergy Corporation ("**ZC**" or "**Seller 3**") and M/s. Safdar Holdings (Private) Limited ("**SHPL**" or "**Seller 4**"), collectively as ("**Sellers**") in accordance with Sale of Shares Agreement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 16<sup>th</sup> December, 2021.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an 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 1: oil marketing company.
    - b. For the Acquirer 2: petroleum logistics.
    - c. For the Acquirer 3: individual.
    - d. For the Acquirer 4: individual.
    - e. For the Acquirer 5: individual.
    - f. For the Target: establish and operate an oil refinery.
  - ii. As per the Application, the transaction under consideration is an acquisition of 100% shares (100% shareholding) of the Target by the Acquirer from the Sellers. Amount to be paid for the same can be estimated to be USD 100 million (approx. PKR 100 billion)<sup>1</sup>. Through this transaction the Target will become a subsidiary of AEPL.
  - iii. The relevant product market in this case have been identified as "**Downstream Oil Market- Oil Refinery**" and the relevant geographic market is "**Pakistan**".
  - iv. As per the Application, the Target was incorporated to undertake oil refinery business and is currently non-operational. However, once it commence operations its estimated market share will be no more than 10%.

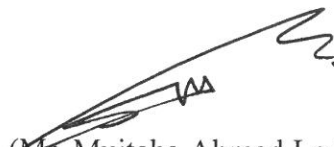
There are overlaps between the undertakings as the Acquirer 1 operate as an Oil Marketing Company with an estimated market share of 10% and Acquirer 2 is an Oil Logistics Company having an estimated market share of 10%.



<sup>1</sup> <https://www.sbp.org.pk/ecodata/rates/m2m/2021/Dec/14-Dec-21.pdf>

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.

  
(Mr. Mujtaba Ahmad Lodhi)  
*Member*

  
(Ms. Shaista Bano)  
*Member*



Islamabad the 16<sup>th</sup> Dec, 2021.