



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

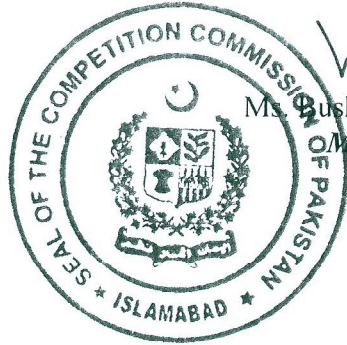
FIRST PHASE REVIEW

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

CASE: 1096/Merger-CCP/20

Commission

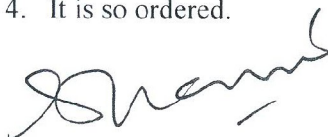
Ms. Shaista Bano Gilani
Acting Chairperson



Ms. Ushra Naz Malik
Member

ORDER

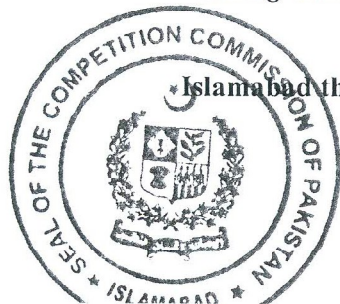
1. On 27th April 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") jointly submitted by M/s. Bayer Pakistan (Private) Limited ("**Applicant 1**" or "**Seller**") and M/s. Novartis Pharma (Pakistan) Limited ("**Applicant 2**" or "**Acquirer**") for the intended acquisition of certain assets from Seller by Acquirer pursuant to an Asset Purchase Agreement ("**APA**"). All the requisite information/documentation pertaining to the application was completed by the applicant on 1st June 2020.
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 undertakings concerned are:
 - a. For the Acquirer: Pharmaceutical company.
 - b. For the Seller: A life science company engaged in the business of pharmaceuticals, consumer health products and crop science products.
 - ii. The proposed transaction involves the Acquirer intending to acquire the manufacturing site, including all structures and real property, owned by the Seller as of the date of execution of the APA, and located at Plot No. C-21, S.I.T.E Area, Manghopir Road, Karachi 75700, Pakistan ("**Facility**"), including all related assets used or held for use in connection with the Business (as defined in the APA) at the Facility (the manufacturing site) ("**Sold Assets**") from the Seller. The transaction value is deemed at US\$ (equivalent to PKR).
 - iii. The Target belongs to the relevant product market of "**Manufacture, sales and marketing of pharmaceutical products**" having a geographic market identified as of "**Pakistan**". As per the data provided by the Applicants, Acquirer's current market share is % while the Seller has % share.
 - iv. Post-transaction, there will be no impact in the relevant market as acquisition of manufacturing capacity, will not lead to any change to the products sold in Pakistan by Acquirer and Seller in the Pakistani market.
 - v. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely 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 June 19, 2020.