



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

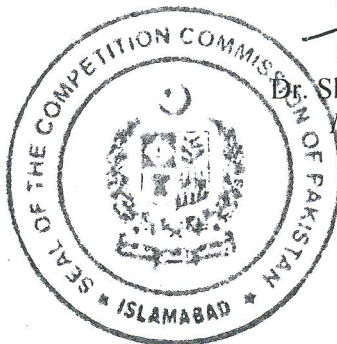
IN THE MATTER OF JOINT VENTURE BETWEEN M/S. PAKISTAN STATE OIL  
COMPANY LIMITED AND M/S. ATTOCK PETROLEUM LIMITED.

CASE: 970/Merger-CCP/18

Commission

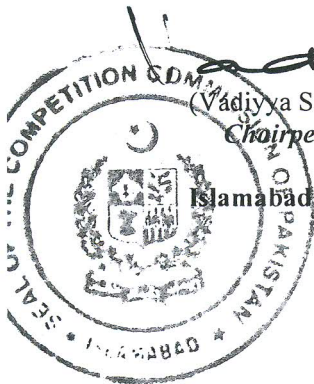
Ms. Vadiyya S. Khalil  
*Chairperson*

Dr. Shahzad Ansar  
*Member*



## ORDER

1. On 24<sup>th</sup> May, 2018 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") jointly submitted by the parties, of a proposed joint venture pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s. Pakistan State Oil Company Limited ("**JV Party 1**" or "**PSO**") and M/s Attock Petroleum Limited ("**JV Party 2**" or "**APL**"), have both agreed to collaborate to form an unincorporated joint venture to fulfill the obligations under the Concession and License Agreement executed with Pakistan Civil Aviation Authority (CAA). All the requisite information pertaining to the application was completed by the applicants on 3<sup>rd</sup> July, 2018.
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 undertakings concerned are:
    - a. JV Party 1: Marketing of petroleum products including blending and marketing various kinds of lubricating oils.
    - b. JV Party 2: Procurement, storage and marketing of petroleum and related products.
  - ii. The proposed transaction involves a Joint Venture agreement between the parties. The relevant product markets have been defined as of "**Maintenance and Operation of Fuel Farms**" and "**Maintenance and Operation of Hydrant Refueling Systems**" having a geographic market limited to that of New Islamabad International Airport. The value of the project is PKR 1,000,000,000 with investment contribution by each party in the ratio of 50:50.
  - iii. Both the parties were successful in bidding for 'Fuel Farm and Operation and Maintenance of Hydrant Refueling System' at the New Islamabad International Airport. APL is a new entrant in the aviation fuel supply market.
  - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended transaction 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 joint venture 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.



*(Vadiyya S. Khalil)*  
Chairperson

Islamabad the 1st August 2018

*(Dr. Shahzad Ansar)*

(Dr. Shahzad Ansar)  
Member