




BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF ADDITIONAL % SHAREHOLDING
IN M/S. UNITY FOOD LIMITED BY M/S. UNITY WILMAR AGRO PRIVATE
LIMITED FROM MR. MUHAMMAD FARRUKH, MR. SAFDAR SAJJAD AND
MS. FEHMIDA AMIN

CASE: 1106/Merger-CCP/20

Commission


Ms. Shaista Bano Gilani
Member


Ms. Bushra Naz
Member



ORDER

1. On 18th June 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**") from M/s. Unity Wilmar Agro (Private) Limited ("**Acquirer**" or "**Applicant**") for the additional acquisition of 1 % shareholding in M/s. Unity Foods Limited ("**Target**"). All the requisite information/documentation pertaining to the application was completed by the applicant on 13th July 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: Multi-crop seed crushing and processing plants and deals in products related to semi-refined oil, refined edible oil and other ancillary business in agriculture and food related product.
 - b. For the Target: edible oil extraction, refining and related businesses.
 - ii. The proposed transaction involves the Acquirer proposing to buy additional % shareholding in the Target from three individual sellers Mr. Muhammad Farrukh, Mr. Safdar Sajjad and Ms. Fehmida Amin (collectively as "**Sellers**"). The transaction consideration is PKR . Presently, the Acquirer has % stake in the Target which will rise to % after the intended transaction.
 - iii. The Target belongs to the relevant product market of "**Extraction, Refining and Selling of Edible Oil**" having a geographic market identified as of "**Pakistan**". Based on the data provided by the Applicant, the Target has a market share of % in the relevant product market and this position is unlikely to change after the transaction.
 - iv. Post-transaction, the acquisition of shares will result in more stake of the Acquirer in the market via its investment in the Target.
 - 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.

(Shaista Bano Gilani)
Member

(Bushra Naz)
Member



Islamabad the July 15th, 2020.