



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. DS
SMITH PLC BY M/S. INTERNATIONAL PAPER COMPANY.

CASE: 1472/Merger-CCP/2024

Commission

Commission



Dr. Kabir Ahmed Sidhu
Chairman

ORDER

1. On 16th August, 2024, the Competition Commission of Pakistan (hereafter the “**Commission**”) received a pre-merger application (hereafter the “**Application**”) concerning the following parties:
 - i. M/s. International Paper Company (hereafter the “**Acquirer**”); and
 - ii. M/s. DS Smith Plc (hereafter the “**Target**”).
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter the “**Act**”) read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter the “**Merger Regulations**”).
3. The proposed transaction entails acquisition of % shareholding of the Target by the Acquirer as per the Co-operation Agreement (hereafter the “**Agreement**”) dated 16th April, 2024. All requisite information/documentation pertaining to the Application was completed on 27th August, 2024.
4. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Commission carried out Phase I competition assessment of the intended transaction which revealed the following facts:
 - 4.1. Acquirer: M/s. International Paper Company is a company incorporated under the laws of United States of America. It is engaged in the production of renewable fiber-based packaging and pulp products.
 - 4.2. Target: M/s. DS Smith Plc is a public limited company incorporated under the laws of England and Wales. It is an ultimate parent company of the DS Smith Group that is engaged in the manufacturing and sale of corrugated packaging in the European Economic Area.

DS Smith group has a presence in Pakistan through its indirect subsidiary namely M/s. TMS Pakistan (Private) Limited (hereafter the “**Subsidiary**”). The subsidiary supplies point of sale display to a single customer in Pakistan.
 - 4.3. As submitted in the Application and set out in the Co-operation Agreement, the Acquirer (or a wholly-owned subsidiary of the Acquirer) will acquire the entire issued share capital of the Target. Each Target share is valued at per share¹ and will result in Acquirer issuing new shares for each Target share, resulting in pro forma ownership of % shareholding for the Acquirer shareholders and % shareholding for the Target shareholders. The total estimated amount under consideration to be paid is (equivalent to PKR).



The relevant market in this case has been identified as “**Point of sale display stands**” and the relevant geographic market is “**Pakistan**”.

¹ Based on the closing IP share price of \$40.85 and £/US\$ exchange rate of 1.2645 on 25 March 2024, bearing the close of business on the last day prior to the announcement by DSS of a possible offer by IP.

- 4.5. As per the data provided in the Application, the Target's only presence in Pakistan is through the Subsidiary that supplies products to a single customer in Pakistan. The estimated market share of the Subsidiary is less than % in the relevant market that will remain unchanged after the proposed transaction.
5. The proposed transaction will not result in dominance of the Acquirer in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, it is hereby authorized under Section 31(1)(d)(i) of the Act.
6. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
7. It is so ordered.



(Dr. Kabir Ahmed Sidhu)

Chairman



Islamabad the

September 10, 2024.