



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF JOINT VENTURE BETWEEN M/S. SK ON CO., LTD. AND
M/S. FORD MOTOR COMPANY

CASE: 1262/Merger-CCP/22

Commission

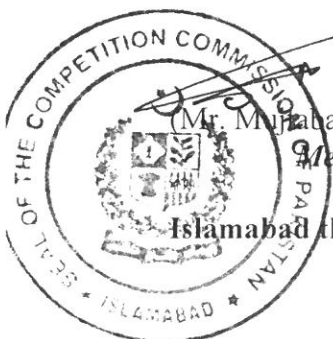
ML.
Mr. Mujtaba Ahmad Lodhi
Member



Ms. Saista Bano
Member

ORDER

1. On February 17, 2022 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**") whereby M/s. SK On Co., Ltd. ("**JV Party 1**") and M/s. Ford Motor Company ("**JV Party 2**"), intend to undertake the joint venture through formation of a new private limited company under the name M/s. BlueOval SK, LLC ("**BlueOval SK, LLC**" or the "**Joint Venture**") in accordance with the terms set out in the Memorandum of Understanding ("**MoU**") dated May 19, 2021, executed between the parties. All requisite information/documentation pertaining to the application was completed on March 3, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and has 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 JV Party 1: Engaged in various business sectors, including petroleum refining, chemicals, and other industries.
 - b. For JV Party 2: An international automotive group.
 - ii. On December 17, 2021, the Parties entered into a Joint Venture Formation Agreement ("**JVFA**") and the proposed transaction involves JV Party 1 and JV Party 2 to form a Joint Venture on a 50:50 ratio basis. This is a foreign-to-foreign transaction and the transaction value is deemed at US\$1 _____ (equivalent to PKR: _____ /-).
 - iii. The relevant product markets identified in this case are that of "**Automotive batteries**", "**Battery Electric Vehicles ("BEV")**" and "**Wet Separators**" while the relevant geographic market has been restricted to "**Pakistan**". The Joint Venture will not operate in Pakistan, therefore, it will have 0% market share in the relevant geographic market. JV Party 1 has associates who have presence in Pakistan but not in the relevant markets.
3. Ancillary restriction has been reported with this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations, 2020.
4. In conclusion, the intended 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.
5. It is so ordered.



(Mr. Mujtaba Ahmad Lodhi)
Member

Islamabad the 7th March, 2022.

(Ms. Shaista Bano)
Member