

BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF SUBSCRIPTION OF SHARES OF M/S.
HYUNDAI NISHAT MOTOR (PRIVATE) LIMITED BY M/S. SOJITZ CORPORATION,
M/S. NISHAT MILLS LIMITED, M/S. MILLAT TRACTORS LIMITED, M/S. D.G.
KHAN CEMENT COMPANY LIMITED, M/S. ADAMJEE INSURANCE COMPANY
LIMITED AND M/S. SECURITY GENERAL INSURANCE COMPANY LIMITED

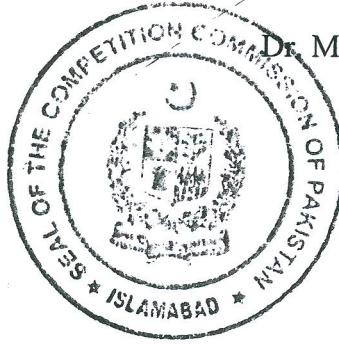
CASE: 957/Merger-CCP/18

Commission

Ms. Vadiyya Khalil
Chairperson


M. Jabi

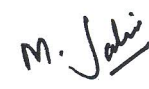
Dr. Muhammad Saleem
Member



ORDER

1. On the 29th of March, 2018, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") sent by M/s. Hyundai Nishat Motor (Private) Limited ("**Hyundai**" or "**Target**") notifying the Commission of the acquisition of Ordinary Shares of Hyundai by M/s. Sojitz Corporation ("**Sojitz**"), M/s. Nishat Mills Limited ("**Nishat**"), M/s. Millat Tractors Limited ("**Millat**"), M/s. D.G. Khan Cement Company Limited ("**DG Khan**"), M/s. Adamjee Insurance Company Limited ("**Adamjee**") and M/s. Security General Insurance Company Limited ("**SGI**") (collectively "**Acquirers**"), pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
2. The Commission has examined the pre-merger 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 acquisition has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirers: Trading, financing and investing in various sectors including energy, mineral resources, chemicals, food, agriculture, textiles, real estate, automobiles, manufacturing and export of textile articles, manufacturing and distribution of Tractors and general insurance.
 - b. For the Target: assembly, manufacturing and distribution of passenger and light commercial vehicles.
 - ii. As per the Application, the Acquirers intend to collectively subscribe to newly issued shares in the Target. The consideration for this subscription is PKR , which is the transaction value in this case.
 - iii. The relevant product market has been identified as that of assembly, manufacturing and distribution of passenger and light commercial vehicles, while the relevant geographic market is Pakistan. None of the Acquirers are active in the relevant market, therefore their individual market shares are nil. Since Hyundai has not commenced operations, the market share of the Target is also currently nil. This transaction is conglomerate in nature.
 - iv. The transaction is not likely to result in the creation or strengthening of 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 Act.
3. In conclusion, the proposed transaction is unlikely 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. Vadiyya Khalil
Chairperson


Dr. Muhammad Saleem
Member

Islamabad the 13th April 2018

