

**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

**IN THE MATTER OF
FIRST PHASE REVIEW**

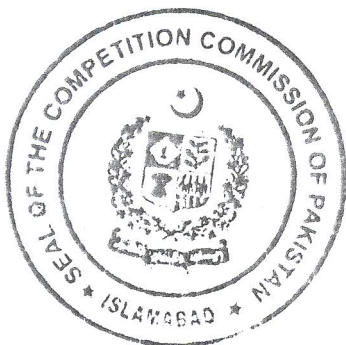
**ACQUISITION OF SHARES OF IGI
INSURANCE LIMITED BY SYED BABAR ALI**

CASE: 795/Merger-CCP/16

Commission

Mr. Shahzad Ansar 
Member

Mr. Ikram Ul Haque Qureshi
Member 



ORDER

I Background

1 On 11 March 2016, the Acquirer, Syed Babar Ali (SBA) submitted a pre-merger application (the "application") to the Commission, notifying the acquisition of shares of IGI Insurance Limited (The Target) by SBA, increasing his stakes from to along with the necessary information as well as a cheque of Rs 700,000 as processing fee, applicable under Regulation 5(6) of the Competition (Merger Control) Regulations, 2007 (the "Regulations"). The case is examined as under:

II Merger Parties

2 Acquirer

Syed Babar Ali (SBA) is the founder of the Packages group and holds directorships on number of companies including IGI Insurance Limited, IGI Investment Bank Limited, Sanofi Aventis Pakistan Limited, Nestle Pakistan, Coco Cola Beverages Pakistan, Tetra Pak Pakistan Limited and a number of educational institutes.

3 SBA has total assets valuing PKR Billion on 13th October 2015. He is not on the directorship of any other General Insurance Company.

4 Target

IGI Insurance Limited is a Packages Group Company that was incorporated as a Public Limited Company. It is engaged in providing general insurance services in spheres of Fire, Marine, Motor health and Miscellaneous. IGI Insurance holds market share in the General Insurance business.

IGI Insurance Limited had total assets valuing PKR Its turnover remained at PKR on 31st December 2014.

III Transaction

5 The proposed transaction involves acquisition of shares of the target at a price of Rs by SBA, increasing his stakes in the target from The proposed transaction is estimated at PKR The transaction is aimed at earning dividends and capital gains.

6 The transaction meets the notification thresholds as prescribed in Regulation 4(2)(a)(b)&(c) of the Merger Regulations, with the undertakings being merged having assets valuing more than PKR 1.0 billion. Further, the turnover of the undertakings being merged is more than PKR 1.0 billion. The transaction value also exceeds PKR 100 million.

IV Relevant Market:

7 The relevant market in this case is the General Insurance market that encompasses all insurance product except life insurance e.g. fire, marine, corporate vehicle, motor, health and miscellaneous.

8 The Relevant Geographic market is Pakistan.

9 Market position in the relevant market is as under:



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Company Name	Market Share(%)
EFU General Insurance	
Jubilee General Insurance	
Adamjee Insurance Company Limited	
IGI Insurance Limited	
Others (25 companies)	

V Findings of the Phase I investigation on the competition assessment

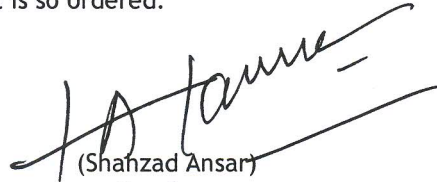
10 The competition assessment in Phase I has resulted in the following finding:


The proposed transaction involves acquisition of shares of IGI Insurance Limited by the Acquirer increasing his stakes from to . However, as the acquirer is an individual and does not hold directorship on any other General Insurance company the acquisition would not result in creating competition issues in the relevant market. This acquisition is aimed at earning dividends and capital gains. The merger does not meet the presumption of dominance as determined under Section 3 of the Act.

VI Conclusion

11 In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31(1) (d) (i) of the Act.

12 It is so ordered.


(Shahzad Ansari)
Member


(Ikram Ul Haque Qureshi)
Member



Islamabad 1st April 2016