

BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

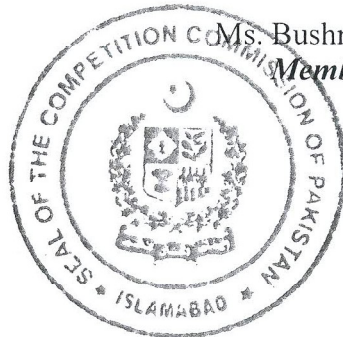
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF 100% SHAREHOLDING OF M/S.  
COLORANTS SOLUTIONS USA LLC AND M/S. COLORANTS INTERNATIONAL  
AG & ITS SUBSIDIARIES BY SK CAPITAL INVESTMENT V LTD FROM  
M/S. CLARIANT AG.

CASE: 1209/Merger-CCP/21

Commission

Ms. Shaista Bano  
*Member*



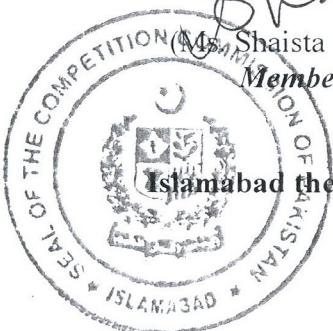
Ms. Bushra Naz  
*Member*

## ORDER

1. On 23<sup>rd</sup> August 2021, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") submitted by M/s. SK Capital Investment V, Ltd ("**SKCI V**" or "**Acquirer**") of the proposed acquisition of 100% shareholding in M/s. Colorants Solutions USA LLC ("**Target-1**") and M/s. Colorants International AG and its subsidiaries ("**Target-2**") collectively as "**Clariant Pigments Business**" from M/s. Clariant AG ("**CAG**" or "**Seller**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (**Merger Control**) Regulations, 2016 ("**Merger Regulations**") in accordance with Share Purchase Agreement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 5<sup>th</sup> October, 2021.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an independent research/investigation in the relevant markets. 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 Acquirer: Develops, manufactures, distributes and sells a broad range of specialty chemicals worldwide.
    - b. For Target-1: Supplies organic pigments, pigment preparations and dyes.
    - c. For Target-2: Supplies organic pigments, pigment preparations and dyes.
    - d. For Seller: Deals in Additives, Catalysts, Functional Minerals, Industrial and Consumer Specialties, Oil and Mining Services and Pigments.
  - ii. The proposed transaction involves the acquisition of the Target by the Acquirer from the Seller for a consideration amount of CHF : (approximately PKR ) on a cash-free/debt-free basis that will be partially paid in cash and partially by way of conversion of a portion of the purchase price receivable into a promissory note.
  - iii. The relevant products market in this case have been identified as the business of **Pigment, Pigment Preparations and Dyes** and the relevant geographic market is "**Pakistan**". Based on the data provided in the application, the Target's market share in Pigments segment is approximately % , in Pigment Preparations - % whereas for Dyes it is %.
3. The intended acquisition of shares 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.
4. It is so ordered.

(Ms. Shaista Bano)  
Member

(Ms. Bushra Naz)  
Member



Islamabad the 9<sup>th</sup> October, 2021.