



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S.  
ELECTROPOLYMERS (PRIVATE) LIMITED BY M/S. STANLEY ELECTRIC CO.,  
LTD AND M/S. THAI STANLEY ELECTRIC PUBLIC CO., LTD.

CASE: 1057/Merger-CCP/19

Commission

Ms. Vadiyya S. Khalil  
*Chairperson*



Ms. Bushra Naz Malik  
*Member*

## ORDER

1. On 11<sup>th</sup> September 2019 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") where M/s. Electropolymers (Private) Limited ("Applicant" or "Target Company") will have % of its shareholding acquired by M/s. Stanley Electric Co., Ltd ("Acquirer 1") and M/s. Thai Stanley Electric Public Co., Ltd. ("Acquirer 2"), (collectively the "Stanley Group"), pursuant to the Share Subscription Agreement. All the requisite information pertaining to the application was completed by the applicant on October 2, 2019.
2. The Commission has examined the 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 transaction has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For Acquirer 1 (Japan based): Engaged in the manufacture and sale of automobile equipment.
    - b. For Acquirer 2 (Thailand based): Manufacture, import and distribute automotive light bulbs and lighting equipment.
    - c. For Target Company: Manufacture, assemble and supply automotive lamps to the Automotive OEM's Sector in Pakistan.
  - ii. The proposed transaction involves the issuance in aggregate of ordinary voting shares of the Target Company, of which shares will be in favor of Acquirer 1 while shares will be issued to Acquirer 2 under and pursuant to the Share Subscription Agreement. The consideration value of this transaction is PKR
  - iii. The Target is active in Pakistan and is engaged in the relevant product market of "Automotive Lighting" having a geographic market identified as of "Pakistan". Currently, only the Target Company is active in the reportable market while Acquirer 2 has indirect presence. Presently, the Target Company has % market share in 4 wheeler segment and % share in 2 & 3 wheeler segment. Post-transaction, the market share of the Target Company will remain the same, however, the Acquirers will have direct presence in the Pakistani Market.
  - iv. The transaction is not likely to result in the creation or strengthening of a 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 Competition Act 2010 ("Act").
3. In conclusion, the proposed transaction is not likely 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.



(S. Khalil)  
Chairperson

Dated the October of, 2019.

(Ms. Bushra Naz Malik)  
Member