



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

ACQUISITION OF % SHAREHOLDING OF M/S. APAG OIL (PRIVATE)  
LIMITED BY M/S. CARGILL PAKISTAN HOLDINGS (PRIVATE) LIMITED FROM  
SELLERS.

CASE: 1284/Merger-CCP/2022

Commission

Ms. Rahat Kaunain Hassan  
*Chairperson*

Mujtaba Ahmad Lodhi  
*Member*



## ORDER

1. On 18<sup>th</sup> April, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition of shares under Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby, M/s. Cargill Pakistan Holdings (Private) Limited ("**CPH**" or "**Acquirer**") is acquiring % shareholding of M/s. APAG Oil (Private) Limited ("**APAG**" or "**Target**") from M/s. Agro Processors & Atmospheric Gases Limited ("**Agro**" or "**Seller 1**"), Mr. Abdul Aziz Rafiq ("**Seller 2**"), Mr. Ahmad Aziz Ghulamhussain ("**Seller 3**") and Mr. Aryn ("**Seller 4**") (collectively referred to as "**Sellers**"), in accordance with Share Purchase Agreement dated 24<sup>th</sup> March 2022 ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 10<sup>th</sup> June, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith, the information provided by the concerned undertaking and the market scenario. 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 the Acquirer: Holding Company.
    - b. For the Target: Oilseed extraction and sale of the resulting meal, oil and allied by-products thereof.
    - c. For the Seller 1: Manufacturing and selling of vegetable ghee and cooking oil under the brand name Soya Supreme and allied items and substances, as well as sale of ketchup and mayonnaise.
    - d. For the Seller 2: Individual.
    - e. For the Seller 3: Individual.
    - f. For the Seller 4: Individual.
  - ii. As per the Agreement, the subject transaction is the acquisition of ) shares ( % shareholding) in the Target of which , , , , , shares will be acquired from Seller 1 and 4 shares will be acquired from Seller 2, 3 and 4. Total consideration for the subject transaction is estimated to be PKR ' .
  - iii. The relevant product market in this case has been identified as "**Oilseed Extraction and Sale of the Oil and its Allied Products**" and the relevant geographic market is "**Pakistan**".
  - iv. The Target currently has an estimated market share of % in the relevant market and owns TPD oilseeds crush plant in Port Qasim, Karachi with total silo capacity of MT.

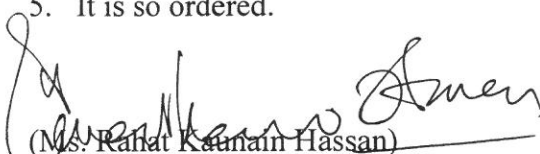
The Acquirer has a wholly-owned subsidiary that is also active in the relevant market, namely M/s. Cargill Agri-Foods (Private) Limited ("**Cargill Agri Foods**"), which has % market share and owns and operates edible oil storage tanks at Port Qasim, Karachi. Cargill Agri Foods has a pre-existing tolling arrangement with the Target for crushing of seeds imported by it. Moreover, The Acquirer's ultimate



parent company M/s. Cargill Inc., is involved in the crushing of oilseeds (soybean, canola and sunflower) globally.

- vi. Post-transaction, as there are operational overlaps between the Target and the Acquirer, the market share of the Target is estimated to rise to 1% by combining the market share of Cargill Agri Foods and utilizing full capacity of the Target's plant (currently the plant is under-utilized). The subject transaction shall result in the change of control of the Target.
1. Ancillary restrictions have 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. This Order is without prejudice to any such requirements.
4. In conclusion, the proposed 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.

  
(Ms. Rahat Kaunain Hassan)  
**Chairperson**

  
(Mr. Mujtaba Ahmad Lodhi)  
**Member**



Islamabad the JUNE 14<sup>th</sup>, 2022.