



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF ACQUISITION BY M/S. WORLDCALL
SERVICES (PVT.) LTD OF % SHARES IN M/S.
WORLDCALL TELECOM LIMITED.**

CASE: 822/Mergers/CCP/16

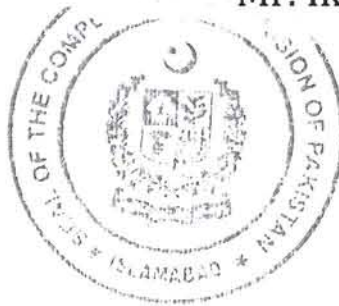
Commission

Ms. Vadiyya Khalil

Chairperson 

Mr. Ikram Ul Haque Qureshi

Member 



I. BACKGROUND

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") dated 17th November 2016, sent by M/s. Worldcall Services (Private) Limited ("**WSL**" or "**Acquirer**") for its acquisition of 4 ordinary shares in M/s. Worldcall Telecom Limited ("**WTL**" or "**Target**") from M/s. Oman Telecommunications Company SOAG ("**Oman Tel**" or "**Seller**"), pursuant to a Share Purchase Agreement ("**Agreement**").

II. PARTIES

WSL

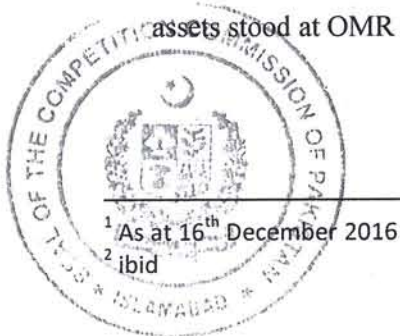
2. WSL, the Acquirer, is a private limited company incorporated and existing under the laws of Pakistan, having its registered office in Lahore. It is engaged in providing services in communications, information technology, billing, recovery and maintenance.
3. WSL achieved a turnover of PKR _____ in the financial year ended June 30th 2015, whereas its assets stood at PKR _____ for the same period.

WTL

4. WTL, the Target, is a public limited company incorporated and existing under the laws of Pakistan, having registered office in Lahore. Its shares are listed on Pakistan stock exchange. WTL is licensed to, and is engaged in, providing wireless local loop ("**WLL**"), long distance International ("**LDI**") and Broadband services.
5. WTL achieved a turnover of PKR _____ in the financial year ended December 31st 2015, whereas its assets stood at PKR _____ for the same period. WTL's total outstanding liabilities as at December 31st 2015 were PKR _____

Oman Tel

6. Oman Tel, the Seller, is a company incorporated in the Sultanate of Oman. _____ of its shares are owned by the Government of the Sultanate of Oman. It is engaged in the establishment, development, operation, and maintenance of telecommunication services. Oman Tel is also the parent company of the Target.
7. Oman Tel achieved a turnover of OMR _____ (approximately PKR _____), whereas its assets stood at OMR _____ (approximately _____) for the same period.



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III. TRANSACTION

8. As per the Application, WSL intends to acquire _____ shares in WTL pursuant to the Agreement. The consideration for this purchase is PKR _____, which is the transaction value in this case.
9. The transaction meets the thresholds as prescribed in Regulation 4 (2) (a), (b) and (d) of the Merger Regulations as the assets of the undertakings are greater than one billion rupees, the annual turnovers of the undertakings are greater than one billion rupees, while the percentage of shares to be acquired is greater than 10%.

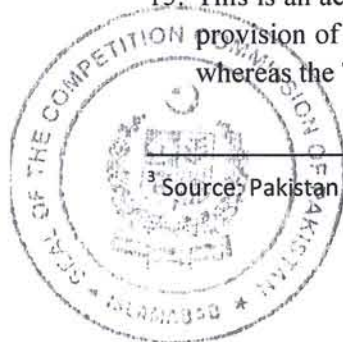
IV. THE RELEVANT MARKET

10. The Target is licensed to provide the following services: wireless local loop, long distance international and broadband. For this reason, the following three relevant product markets have been identified, i.e., markets for the provision of:
 - A. WLL services;
 - B. LDI services; and
 - C. Broadband services.
11. As the Target provides the above mentioned three services across the country, and the conditions of competition are sufficiently homogenous nationwide, the relevant geographic market has been identified as Pakistan.
12. There is no overlap between the market of the Target and Acquirer as they function in distinct domains of communication and technology.
13. The Target's market share in the market for the provision of WLL services is _____ whereas its market shares in the market for the provision of LDI and Broadband services are _____ and _____ respectively³.
14. Post transaction, the Target's market share in all three relevant product markets will remain unchanged.

V. FINDINGS OF THE PHASE I INVESTIGATION ON COMPETITION ASSESSMENT

15. This is an acquisition of _____% shares in the Target by the Acquirer. The Acquirer is engaged in the provision of services in communications, information technology, billing, recovery and maintenance, whereas the Target is licensed to, and is engaged in, providing WLL, LDI and broadband services.

³Source: Pakistan Telecommunication Authority



VS #

16. The Target's market shares in the three relevant product markets is as follows: in the provision of WLL services, [redacted]. In the provision of LDI services, [redacted], and in the provision of Broadband services, [redacted]. The Acquirer is not active in either relevant product market. Further, post transaction, the Target's market share in all three relevant product markets will remain unchanged.
17. The consideration for the purchase of [redacted] shares in the Target is PKR [redacted] which is the transaction value in this case.
18. In view of the findings of the Phase I investigation on competition assessment, the transaction does not meet the presumption of dominance as determined under Section 2 (1) (e) read with Section 3 of the Competition Act, 2010 ("Act").

VI. CONCLUSION

19. In conclusion, there is no evidence to suggest a substantial lessening of competition by creating or strengthening a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
20. It is so ordered.



(Vadiyya Khalil)
Chairperson



(Ikram Ul Haque Qureshi)
Member



Islamabad

19th Jan, 2017