

**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

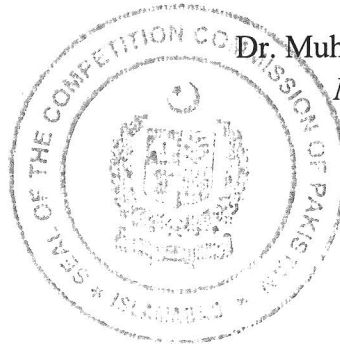
FIRST PHASE REVIEW

**IN THE MATTER OF MERGER OF M/S. BE BE JAN COLOUDS LIMITED AND M/S.
BE BE JAN TEXTILE MILLS LIMITED WITH AND INTO M/S. BE BE JAN
PAKISTAN LIMITED**

CASE: 934/Merger-CCP/17

Commission

Ms. Vadiyya Khalil
Chairperson



M. Jaleel
Dr. Muhammad Saleem
Member

ORDER

1. On 26th of December, 2017, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed merger pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby M/s. Be Be Jan Colours Limited ("**BBJCL**") and Be Be Jan Textile Mills Limited ("**BBJTML**") will merge with and into Be Be Jan Pakistan Limited ("**BBJPL**"), pursuant to a Scheme of Compromises, Arrangement and Reconstruction.
2. The Commission has examined the pre-merger 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 acquisition has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For BBJCL: Manufacturing and export of fabrics and allied products.
 - b. For BBJPL: Manufacturing and export of made-ups.
 - c. For BBJTML: Once operational, manufacture and export of yarn.
 - ii. As per the Application, the whole of the business, assets and liabilities of BBJCL and BBJTML will be merged with and into BBJPL, and shares in lieu thereof will be issued by BBJPL to the shareholders of BBJCL and BBJTML. The value of all assets involved amounts to PKR 100 million which is the transaction value in this case.
 - iii. The relevant product markets in this case have been identified as (a), the manufacturing and exports of made-ups, and (b), the manufacturing and export of fabrics and allied products. As these products are exported, the relevant geographic market is global. The market shares of the two operational merger parties are as follows: for BBJPL in relevant product market (a), 100%. For BBJCL in relevant product market (b), 100%. There is no reportable market in this case.
 - iv. The transaction is not likely to result in the creation or strengthening of 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 Act.
3. In conclusion, the proposed transaction is unlikely 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.



Ms. Vadiyya Khalil

Chairperson



Dr. Muhammad Saleem

Member

Islamabad the 31st January 2018

