



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

IN THE MATTER OF

FIRST PHASE REVIEW

ACQUISITION OF SHARES OF WI-TRIBE PAKISTAN  
LIMITED BY OFFSHORE INVESTMENTS LIMITED

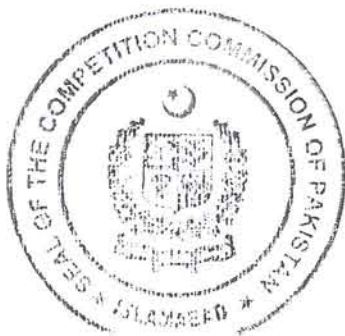
CASE: 759/Merger-CCP/15

Commission

Ms. Vadiyya Khalil  
Chairperson

Mr. Mueen Batlay  
Member

Mr. Ikram ul Haque Qureshi  
Member



# ORDER

## I Background

1. Offshore Investments Limited, (the "OIL") submitted a pre-merger application (the "application") dated 06 October, 2015<sup>1</sup> to notify the Competition Commission of Pakistan (the "Commission"), of the acquisition of \_\_\_\_\_ shares \_\_\_\_\_ of the shares) of Wi-tribe Pakistan Limited by Oil. The case is examined in the light of the provisions of the Competition Act 2010 (the "Act") as well as the Competition (Merger Control) Regulations 2007 (the "CMCR"), as under:

## II Merger Parties

2. OIL was incorporated as a private limited company on 23 April, 2015 under the laws of Mauritius. It is a newly established undertaking and is wholly owned by \_\_\_\_\_ who also holds \_\_\_\_\_ shares in HB Group International. HB Group International is engaged in the diversified business industries in Pakistan, UAE and the United Kingdom. \_\_\_\_\_ also owns \_\_\_\_\_ shares in Sky Telecom (Private) Limited (the "Sky Telecom"), which is engaged in LDI, LLO and data services in Azad Jammu & Kashmir and Gilgit Baltistan.
3. Wi-tribe was incorporated as a public limited company on 26 May 2004 under the Companies Ordinance, 1984. It is a subsidiary of Wi-Tribe Limited which is a company incorporated under the laws of the Cayman Islands, which is ultimately owned by Ooredoo Q.S.C. based in Qatar. Wi-Tribe is principally engaged in providing long distance and international (LDI) and wireless local loop (WLL) services in Pakistan under the licenses of the Pakistan Telecom Authority.

## III Transaction

4. Oil intends to acquire \_\_\_\_\_ shares in Wi-tribe pursuant to a Share Purchase Agreement. The consideration for the shares amount to \_\_\_\_\_.

## IV Thresholds

5. The transaction meets the notification thresholds prescribed in Regulation 4(2)(a) of the CMCR, where the combined assets of the merger parties exceeds PKR 1 billion. The transaction also meets Regulations 4(2)(c) of the CMCR, where the transaction value exceeds PKR 100 million. Therefore, the proposed transaction had to be notified to the Commission.

## V Relevant Market

6. There are no overlapping activities between the activities of the merger parties as OIL and Wi-tribe are engaged in different businesses, which are not related to each other. However, Mr. Bokhari owns and operated Sky Telecom, which is also engaged in providing broadband

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<sup>1</sup> The application was received on 07 October, 2015. Additional information was called from the applicant vide Commission's letter dated 04 November, 2015 to which the reply was received on 11 November, 2015, thus, the 30 working days period of Phase I began on 11 November, 2015. The 30 working days starts once the Commission considers the application to be complete.



internet services to Azad Jammu & Kashmir and Gilgit Baltistan only. While Wi-tribe does not provide its broadband internet services to Azad Jammu & Kashmir and Gilgit Baltistan. Although, Sky Telecom and Wi-tribe are engaged in the same line of business, however, they do not raise overlaps in the areas where they operate. Thus the merger does not give rise to a horizontal or a vertical relationship.

#### Relevant product market

7. The envisaged transaction concerns the market for broadband internet services.
8. Although, the merger parties do not directly compete in the same relevant market, given that OIL is a newly incorporated company for the purpose of acquiring a stake in Wi-tribe. The sole owner of the shares of OIL has a wholly owned subsidiary, Sky Telecom, which is operative in the relevant market of broadband internet services in the provinces of Azad Jammu & Kashmir and Gilgit Baltistan, whereas Wi-tribe operates in the provinces of Punjab, Sindh and Khyber Pakhtunkhwa (the "KPK"). Thus, the activities of Wi-tribe and Sky Telecom do not overlap in the areas they operate.
9. Given that there are no overlapping activities between the merger parties, there are no combined market shares under any relevant product market definition. For the purpose of the present case, the proposed transaction does not lead to the creation or strengthening of a dominant position under any market definition.

#### Relevant geographic market

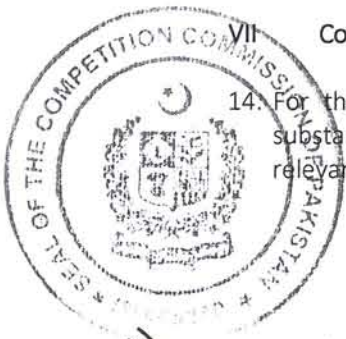
10. The scope of the proposed transaction relates primarily to the provinces of Punjab, Sindh and Khyber Pakhtunkhwa (KPK), however, Sky Telecom does not operate in these regions and is limited to the provinces of Azad Jammu & Kashmir and Gilgit Baltistan, thus, there are no overlapping activities in the regions of Punjab, Sindh and KPK.

#### **VI Findings of the Phase I investigation on the competition assessment**

11. In order to assess the competitive effects of the envisaged transaction, we will calculate the market shares of the merger parties to assess if the proposed transaction would result in theories of harm. Given that there are overlapping activities between Wi-tribe and Sky Telecom, there are no combined market shares that can be calculated.
12. Wi-tribe holds an insignificant market share of . . . in the market for broadband internet services in Punjab, Sindh and KPK while it is not present in Azad Jammu Kashmir and Gilgit Baltistan and does not hold a dominant position of more than 40% of market share. Sky Telecom also holds a nominal market share of . . . in Azad Jammu Kashmir and Gilgit Baltistan while it is not present in Punjab, Sindh and KPK and does not hold a dominant position either. The combined market shares will remain the same since Wi-tribe and Sky Telecom hold market shares in different regions of Pakistan. The merger does not meet the presumption of dominance as determined under Section 3 of the Act.
13. The proposed transaction does not raise any theories of harm.

#### **VII Conclusion**

14. For the above reasons, the Commission does not find the proposed transaction to substantially lessen competition by creating or strengthening a dominant position in the relevant market of broadband internet services in Punjab, Sindh and KPK given that the




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minimal market share of Wi-tribe is significantly less than the 40% market share threshold limit, and does not change with the envisaged transaction.

15. There are no doubts as to the compatibility of the envisaged transaction with Chapter II of the Act and it does not substantially lessen competition by creating or strengthening a dominant position in the relevant market of broadband internet services in Punjab, Sindh and KPK. Consequently, the Commission authorizes the proposed transaction after a conclusion of the Phase I merger review under Section 31(1)(d)(i) of the Act.
16. It is so ordered.

  
(Mueen Batlay)  
Member

  
(Ikram Ul Haque Qureshi)  
Member

  
(Vadiya Khalil)  
Chairperson



TA  
Islamabad, the 27<sup>th</sup> November, 2015



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CO

Madam,  
Please return this o/c letter  
on Monday after pulling  
official receiving from firm and  
oblige. Please date it today!  
Best wishes,  
Umair

**SUBJECT: PHASE II REVIEW - MERGER APPLICATION IN RELATION TO SCHEMES OF INTEGRATION OF LAHORE STOCK EXCHANGE AND ISLAMABAD STOCK EXCHANGE WITH KARACHI STOCK EXCHANGE LTD PURSUANT TO SECTION 17 READ WITH SECTION 18 OF THE STOCK EXCHANGES (CORPORATIZATION, DEMUTUALIZATION AND INTEGRATION) ACT, 2012**

I have been directed to send to you the enclosed certified copy of the order dated November 27, 2015 passed by the Competition Commission of Pakistan, for your information and compliance.



Recd  
~~BA~~  
27/11/15

OC

Sincerely,

Syed Umair Javed  
Registrar