**BEFORE THE**
**COMPETITION COMMISSION OF PAKISTAN**

**EX-POST FACTO FIRST PHASE REVIEW**

**IN THE MATTER OF A JOINT VENTURE BETWEEN M/S. UNILEVER PAKISTAN LIMITED AND M/S. VENTUREDIVE (PRIVATE) LIMITED BY THE NAME OF DELIVERY HUB.**

**CASE: 1229/Merger-CCP/21**

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| Date of Hearing | December 01, 2021 |
| Commission | Ms. Rahat Kaunain Hassan<br>***Chairperson*** |
| | Mr. Mujtaba Ahmad Lodhi<br>***Member*** |

On behalf of
Unilever Pakistan Limited
Venturedive (Private) Limited
Delivery Hub

SEAL OF THE COMPETITION COMMISSION OF PAKISTAN ★ ISLAMABAD ★

Mr. Ahmad Mohid
**Associate RIAA Barker Gillette**

Mr. Ahmad Kamran
**Associate RIAA Barker Gillette**

Ms. Rida Aslam Bhatti
**Associate RIAA Barker Gillette**

## ORDER

1. On 18th October, 2021, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") from M/s. Delivery Hub (Private) Limited ("**Delivery Hub**" or "**Joint Venture Company**") whereby M/s. Unilever Pakistan Limited ("**Unilever**" or "**JV Partner 1**") and M/s. Venturedive (Private) Limited ("**Venturedive**" or "**JV Partner 2**"), collectively as "**JV Parties**" created a Joint Venture Company to run a mobile application called Munchies, pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**"). All requisite information/documentation pertaining to the Application was completed on June 08, 2022.

2. Upon investigation it was revealed that, the JV Parties had already consummated the transaction on April 16, 2021. Subsequently proceedings were initiated against the JV Parties under Section 11 (12) of the Act and a Hearing Notice was issued on November 25, 2021 to the Applicant for the, *prima facie,* violation of sub-sections (1) to (4) of Section 11 of the Act read with Regulation 4 of the Merger Regulations. A two-member bench was formulated to conduct the hearing on December 01, 2021. During the hearing, the Bench directed the JV Parties to submit the remaining fee and certain additional information along with an undertaking to comply with the provisions of the Act.

3. The Commission has examined the Application as well as all the documents attached therewith, the information provided by the undertakings concerned and the market scenario. The Phase I competition assessment of the intended transaction has resulted in the following findings:

   i. The concerned undertakings are:

      a. JV Partner 1: Manufacturer, seller and distributor of consumer products including frozen dessert, snacks etc.
      b. JV Partner 2: Engaged in design and development of software solutions & telecommunication systems.
      c. Joint Venture Company: App based delivery service provider.

   ii. As per the Agreement, the authorized capital of the Joint Venture Company at the date of application is PKR . The initial paid up capital is a subscription of shares for an aggregate amount of PKR /- where JV Partner 1 has subscribed to shares ( 7% shareholding) for an amount equal to PKR and JV Partner 2 has subscribed to shares (33.33% shareholding) for PKR /-

   iii. The relevant market in this case have been identified as "**E-Commerce - B2C delivery platform for snacks**" and the relevant geographic market is "**Pakistan**".

   iv. The Joint Venture Company's predicted market share in Karachi, if operational, is estimated to be less than % and significantly lower in the rest of Pakistan.

4. On 09th March 2022, the Applicant notified the Commission that the Joint Venture Company has ceased its operations and its "Munchies" mobile application has been effectively shut down. In light of the compliance-oriented approach and undertaking in this regard submitted by the undertakings concerned, and considering that the proposed transaction does not meet the presumption of dominance as determined under Section 3(1)(e) read with Section 3 of the Act, The Commission is inclined to take a lenient view and authorize the subject transaction 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 23rd **, 2022.**