



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S. TCS  
LOGISTICS (PRIVATE) LIMITED BY M/S. NIPPON EXPRESS (SOUTH ASIA &  
OCEANIA) PTE. LIMITED**

**CASE NO. 1549/Merger-CCP/2025**



Commission:

**Dr. Kabir Ahmed Sidhu  
Chairman**

## ORDER

1. On 30 June 2025, M/s. TCS Logistics (Private) Limited (the “Notifying Party” or the “Target”) submitted a pre-merger application (the “Application”) to the Competition Commission of Pakistan (the “Commission”), concerning the proposed acquisition of \_\_\_\_\_ % of the issued and paid-up capital of the Target by Nippon Express (South Asia & Oceania) Pte. Limited (the “Acquirer”), in accordance with the terms and conditions set out in the Share Purchase Agreement (SPA) and the Share Subscription Agreement (SSA), both dated 26 May 2025.
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “Act”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “Merger Regulations”).

### Merger Parties

#### **Acquirer**

3. The Acquirer, incorporated in Singapore on 27 February 2012, is primarily engaged in logistics, supply chain solutions, and management services through numerous subsidiaries across South Asia and Oceania region. It is a wholly-owned subsidiary of Nippon Express Holdings, Inc., listed on the Tokyo Stock Exchange. In Pakistan, the Acquirer offers limited 3PL services through contracts, including warehousing and delivery for \_\_\_\_\_

#### **Target**

4. The Target, incorporated in Pakistan on 3 June 2002<sup>1</sup>, is engaged in third-party logistics (3PL) services. Its operations include warehousing, distribution, domestic LCL groupage, full truck load (FTL) transport, cross-regional FTL under the TIR Convention, international freight forwarding (air and ocean), customs clearance, as well as packing, relocation, and cargo handling services both within Pakistan and abroad. The Target’s associated companies include \_\_\_\_\_ which operates in the express courier segment, focusing on time-sensitive, small parcel delivery services such as same-day or overnight.

The Acquirer was originally incorporated as TCS Road Transport (Private) Limited on 3 June 2002. Its name was changed to TCS Logistics (Private) Limited on 24 November 2006.

### **Seller**

5. The Seller is Mr. Khalid Nawaz Awan, the owner of the shares proposed to be transferred to the Acquirer under the SPA.

### **Transaction**

6. The Transaction involves the acquisition by the Acquirer of \_\_\_\_\_ shares out of a total of \_\_\_\_\_ representing \_\_\_\_\_ % of the issued and paid-up share capital of the Target. This is to be completed in two steps: (i) the purchase of \_\_\_\_\_ existing shares from the Seller, amounting to \_\_\_\_\_ % of the paid-up capital under the SPA; and (ii) the subscription of \_\_\_\_\_ newly issued shares under the SSA, constituting \_\_\_\_\_ % of the capital, following an increase in the company's authorized share capital (the "Transaction"). The total estimated value of the Transaction is PKR \_\_\_\_\_
7. Upon completion, the remaining \_\_\_\_\_ % will continue to be held by the Seller. The Transaction also includes a call option, allowing the Acquirer to purchase up to an additional \_\_\_\_\_ % of the Seller's shares, subject to the condition that the Acquirer's aggregate shareholding in the Target shall not exceed \_\_\_\_\_ % at any time.

### **Phase-I Competition Assessment**

#### **Procedural Review**

8. Based on the Application, the Commission undertook a Phase-I review to assess the competitive implications of the Transaction. The evaluation included an examination of the documentation to determine compliance with the provisions of the Act and the Merger Regulations, with particular focus on potential competitive concerns, including the likelihood of the creation or strengthening of a dominant position post-Transaction.

#### **Relevant Market**

9. The relevant product market comprises "Third-party Logistics (3PL) services", including warehousing, freight transport, international forwarding, and customs clearance. The geographic market is defined as "Pakistan". Both the Acquirer and the Target operate within this functional and territorial scope, alongside various other undertakings that offer substitutable services nationwide within the same relevant market.



### **Market Share**

10. According to the Applicant, based on the estimates of PwC Japan in 2024, the estimated market share of third-party logistics (3PL) services in Pakistan was USD in 2024. The market for logistics is highly fragmented, and comprehensive market data is not available. It has further been submitted that the market share of Target is less than % in the Relevant Markets based on its annual turnover for FY 2024, divided by the total market size of third-party logistics (3PL) services in Pakistan. Also, the market share of the Acquirer's branch office in Pakistan providing third-party logistics (3PL) services is less than %. This is calculated based on the Acquirer's branch office revenue in Pakistan, divided by the total market size of third-party logistics services in Pakistan.
11. Upon completion of the proposed merger, the market share will remain insignificant due to the negligible current market share of the merger parties. The Target has identified Leopards, DVS, DHL Global Forwarding, Emirates Logistics, Maersk Log, Raziq International, Worldwide Logistics Group, Kuehne + Nagel, and Expeditors International as competitors operating within the relevant market. Each of these undertakings is estimated to hold a market share ranging between % and %.

### **Competition Analysis**

12. The Transaction entails horizontal overlaps, as both the Acquirer and the Target are engaged in the provision of logistics and warehousing (3PL) services. The Acquirer's operations in Pakistan are presently limited in scope, primarily servicing a single client, whereas the Target has an established domestic presence.
13. Based on the financial information submitted and market data reviewed, the Commission observed that the combined market share post-transaction would remain between % and is not likely to lead to further market concentration that could raise competition concerns. The third-party logistics (3PL) sector of Pakistan is particularly characterized by a high degree of fragmentation, with a large number of service providers and relatively low barriers to entry.
14. The Transaction appears to be driven by a strategic objective to align the Acquirer's global logistics capabilities with the Target's domestic operations, which may result in an enhancement of efficiencies and improved service delivery. However, such improvements are not anticipated to limit the ability of the existing or potential



competitors or to exclude them from competing effectively. Moreover, no credible risk has been identified for either unilateral conduct or coordinated behaviour that could substantially lessen competition in the relevant market.

**Ancillary Restrictions**

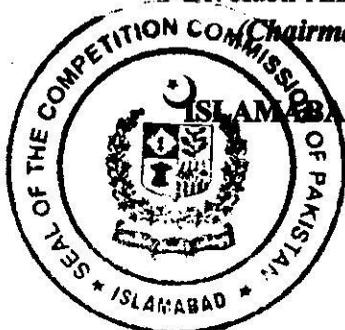
15. The Application indicates the existence of certain ancillary restraints in the Agreement. The Applicant has filed a separate exemption request, which is under process with the relevant department of the Commission. The Acquirer is directed to ensure compliance with the applicable provisions of the Act and obtain requisite clearance prior to the implementation of such clauses.

**Determination**

16. Based on the information provided, the Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. Accordingly, the Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
17. Notwithstanding the above, matters which may fall outside the scope of the Commission's jurisdiction, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
18. It is so ordered.



Dr. Kabir Ahmed Sidhu  
(Chairman)



ISLAMABAD, August 13<sup>th</sup>, 2025.