



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF JOINT VENTURE BETWEEN M/S. SIEGWERK
NETHERLANDS B.V AND M/S. HELM INDUSTRIES (PRIVATE) LIMITED

CASE: 1248/Merger-CCP/21

Commission

ML.

Mr. Mujtaba Ahmad Lodhi
Member

Ms. Shaista Bano
Member



ORDER

1. On December 10, 2021 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition 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. Siegwark Netherlands B.V. ("**JV Party 1**") and M/s. Helm Industries (Private) Limited ("**JV Party 2**"), collectively as ("**Applicants**") intend to undertake the joint venture through formation of a new private limited company in Pakistan (the "**Company**") in accordance with the terms set out in the Company Incorporation & Share Subscription Agreement dated 13th October 2021, executed between the parties (the "**SSA**"). All requisite information/documentation pertaining to the application was completed on January 31, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and has made its observations on the basis of an independent research/investigation in the relevant market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For JV Party 1: An international, market leading manufacturer of printing inks for packaging of any kind as well as magazines and catalogs.
 - b. For JV Party 2: Manufacture, Sale, Supply, Import & Export of all types of Adhesive, Solvent & Similar Chemical Products.
 - ii. The proposed transaction involves JV Party 1 and JV Party 2 to form a Joint Venture pursuant to SSA on a $1:1$ ratio basis. This is a foreign-to-Pakistan transaction and the transaction value is deemed at USD 1 million (equivalent to PKR $100,000,000$ as at December 15, 2021) out of which 100% would be considered as foreign remittance.
 - iii. The relevant product market identified in this case is that of "**Manufacturing of ink and ink coating applied on packaging material**" while the relevant geographic market has been identified as "**Pakistan**". Currently, the merger parties have 100% market share in the packaging inks and coatings market in Pakistan. Therefore, immediately after the transaction, the combined market share will also remain 100% .
3. Ancillary restriction has been reported with this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations, 2020.
4. In conclusion, the intended transaction, does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
5. It is so ordered.

(Mr. Mujtaba Ahmad Lodhi)
Member

(Ms. Shaista Bano)
Member

Islamabad the February 14th, 2022.