



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

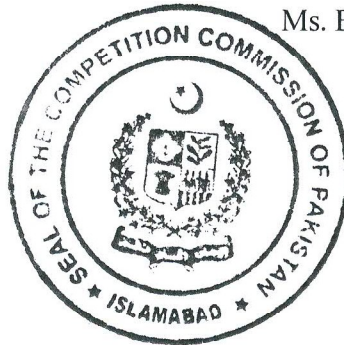
IN THE MATTER OF ACQUISITION OF % SHARES OF M/S. LUXI GROUP
CO. LTD BY M/S. CHINA SINOCHEM INVESTMENT (LIAOCHENG) CO. LTD

CASE: 1086/Merger-CCP/20

Commission

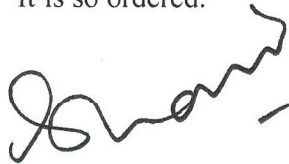
Ms. Shaista Bano Gilani
Acting Chairperson

Ms. Bushra Naz Malik
Member



ORDER

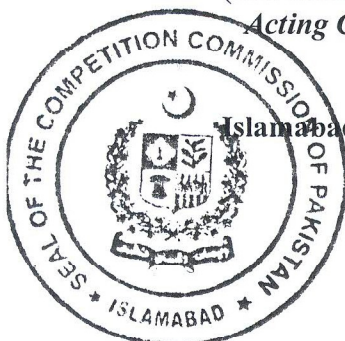
1. On 9th March 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. China Sinochem Investment (Liaocheng) Co. Ltd ("**Acquirer**" or "**Applicant**") whereby it intends to acquire % shareholding in M/s. Luxi Group Co. Ltd ("**Target**") from State-Owned Assets of Supervision and Administration Commission of Liaocheng ("**Seller**"), pursuant to a Share Transfer Agreement.
2. The Commission has examined the 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 transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: It is engaged in the business of project investment and investment management.
 - b. For the Target: It is involved in many industrial fields such as coal chemical, fluorine and silicon chemical, new material, fertilizer, R&D, as well as chemical equipment, chemical engineering, new energy equipment, catalyst and finance.
 - c. For the Seller: A special commission of the People's Republic of China, directly under the State Council.
 - ii. The proposed transaction involves the Acquirer proposing to buy % of the ordinary shares of the Target. The transaction consideration is RMB (Approx. PKR as on March 12, 2020).
 - iii. The Target belongs to the relevant product market of "**Chemical Industry**" having a geographic market identified as of "**Pakistan**". Based on the data supplied by the Applicant, in Pakistan there are no product overlaps between the merger parties, therefore Target's share of the market will remain unchanged, post-transaction.
 - iv. The transaction is not likely to result in the creation or strengthening of a 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 Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely 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. Shaista Bano Gilani)
Acting Chairperson



(Ms. Bushra Naz Malik)
Member



Islamabad the 8th MAY, 2020.