



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF JOINT VENTURE BETWEEN M/S. MARKHOR ENERGY  
(PRIVATE) LIMITED AND M/S. COZMO TRAVEL LLC BY THE NAME OF M/S.  
TRAVTROLLEY TRAVEL (PRIVATE) LIMITED.

CASE: 1319/Merger-CCP/22

Commission

Ms. Rahat Kaunain Hassan  
*Chairperson*



Mr. ~~Mr.~~ Nujaba Ahmad Lodhi  
*Member*

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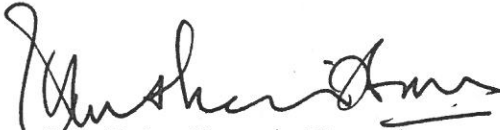
## ORDER

1. On August 23, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed joint venture 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. Markhor Energy (Private) Limited ("**Markhor**" or "**JV Partner 1**") and M/s. Cozmo Travel L.L.C ("**Cozmo**" or "**JV Partner 2**") reflecting intended formation of a jointly controlled limited liability company M/s. Travtrolley Travel (Private) Limited ("**TTPL**" or "**JV Co**") in Pakistan. All requisite information/documentation pertaining to the Application was completed on September 05, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith and the information provided by the concerned undertaking(s). The Phase I competition assessment of the intended transaction has revealed the following facts:
  - i. The concerned undertakings are:
    - a. Markhor: A private limited company incorporated under the laws of Pakistan. It belongs to Lakson Group of companies. Markhor's principal line of business is to be engaged in power generation. The Lakson Group was established in 1954. They manage and own companies in respective sectors including agri-business, call centers, consumer non-durables, fast food, financial services, media, paper and board, printing and packaging, surgical instruments, technology (data-networking, BPO and software) and travel.
    - b. Cozmo: An entity duly established and registered in the Emirate of Sharjah in the United Arab Emirates. It is a limited liability company engaged in the tourism and travel business in the UAE and other MENESA countries by direct and indirect investment in Tourism and Travel and ancillary businesses. It is a wholly owned subsidiary of M/s. Air Arabia PJSC ("**Air Arabia**"). Air Arabia is listed on the Dubai Financial Market and is the Middle East's and North Africa's leading low-cost carrier (LCC) operator. Air Arabia commenced operations in October 2003 and currently operates a total fleet of new Airbus A320 and A321 aircraft, serving some routes from five hubs in the UAE, Morocco and Egypt.
  - ii. As per the submitted Application, under the terms of the Shareholders Agreement, Markhor and Cozmo intend to form a joint venture by the name of TTPL. The JV parties will each contribute PKR 20 million and obtain equal shareholding of % in TTPL.
  - iii. Subject to clause 2.2.3 of the Shareholders Agreement, the amount to be transferred by Cozmo will be in US dollars equivalent to PKR , and is deemed as foreign investment.
  - iv. The relevant product market in this case has been identified as "**Travel and Tourism Services**", while the geographic market is "**Pakistan**".

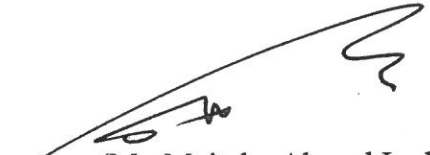
Based on the data provided by the Applicants, TTPL will have around % market share in Pakistan. Presently, Lakson Group has a presence of around % in the relevant market via their associated undertaking M/s. Princeton Travels (Pvt) Limited & Tours ("**PTPLT**"), which specializes mostly in international trip packages and travel insurance.



- vi. Furthermore, the Lakson Group and Air Arabia also entered into a Joint Venture agreement whereby they've established a low cost carrier by the name of Fly Jinnah, not yet operational. As Fly Jinnah, TTPL and PTPLT are ultimately part of Lakson group while Fly Jinnah and TTPL belong to Air Arabia, it is noted as a relevant factor with reference to services in the tourism sector for provision of travel packages and ticket deals.
3. An ancillary restriction has been reported in this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations 2020. This Order is without prejudice to any such requirements.
4. The proposed transaction does not meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act. Hence, it is hereby authorized under Section 31(1)(d)(i) of the Act.
5. In the subject transaction, matters which may fall outside the scope of the Commission's purview shall be handled in accordance with the relevant laws and regulations.
6. It is so ordered.

  
(Ms. Rahat Kaunain Hassan)

*Chairperson*

  
(Mr. Mujtaba Ahmad Lodhi)

*Member*



Islamabad the September 8<sup>th</sup>, 2022.