



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

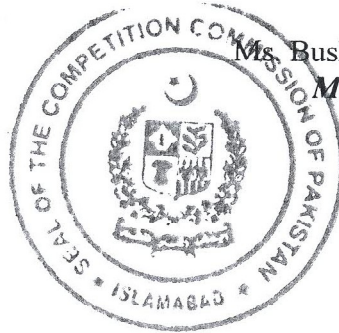
IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S. ALLNEX
HOLDING GMBH BY M/S. PTTGC INTERNATIONAL (NETHERLAND) B.V. FROM
M/S. ALLNEX HOLDING S.A.R.L AND ALLNEX S.A.R.L

CASE: 1218/Merger-CCP/2021

Commission

Ms. Shaista Bano
Member

Ms. Bushra Naz Malik
Member



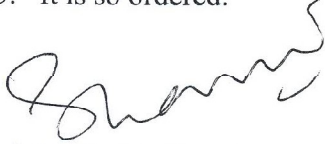
ORDER

1. On 23rd August, 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**") from M/s. PTT Global Chemical Public Company ("**PTTGC**" or "**Ultimate Acquirer**" or "**Applicant**"), whereby, M/s. PTTGC International (Netherland) B.V. ("**PTTBV**" or "**Acquirer**") intends to acquire % shareholding in M/s. Allnex Holding GmbH ("**Allnex**" or "**Target**") from M/s. Allnex Holding S.A.R.L ("**AHS**" or "**Seller 1**") and Allnex S.A.R.L ("**Asarl**" or "**Seller 2**") (Collectively as ("**Sellers**")) in accordance with Share Purchase Agreement ("**Agreement**").
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and 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 the Ultimate Acquirer: Refining and provision of integrated petroleum products, production and distribution of aromatics products including aromatic derivative and production and distribution of ethylene, propylene polyethylene plastic pellets and biochemical products. By-products are mixed C4, cracker bottom and tail gas. Minor activities are production and distribution of electricity, water steam and other utilities. It also operates production support facilities such as jetty and buffer tank farm services for liquid chemical, oil and gas.
 - b. For the Acquirer: Holding investment company.
 - c. For the Target: Industrial coating resins business.
 - d. For the Sellers: Both are holding investment companies.
 - ii. Pursuant to the Application, the proposed transaction involves the Acquirer proposing to acquire % shareholding of the Target by the Acquirer from the Sellers. The Ultimate Acquirer by way of acquisition will gain control over Allnex Group. Amount to be paid for aforementioned shares can be estimated to be EUR /- (approx. PKR as of September 06, 2021)¹
 - iii. The relevant markets in this case have been identified as "**Resins- Solventborne Acrylics, Solventborne Alkyds/Polyesters, Waterborne Acrylics, Radcure-Monomers/Oligomers/Acrylates, Polyester Powders, Cross-linkers Amino Resins, Cross-linkers Phenolic Resins and Additives**" and the geographic market is "**Pakistan**".
 - iv. Allnex is operating in the relevant markets and has an estimated market share of less than % in all the relevant product markets. PTTGC supplies raw material to Allnex. However, PTTGC does not sell the similar products as of relevant markets.



¹ <https://www.sbp.org.pk/ccodata/rates/m2m/2021/Sep/06-Sep-21.pdf>

3. As per the application, there are ancillary restrictions and the applicant has stated that, it will be seeking exemption from the exemptions department.
4. In conclusion, the proposed transaction does not meet the presumption of dominance as determined under Section (2) (1) (e). The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
5. It is so ordered.



(Ms. Shaista Bano)

Member



(Ms. Bushra Naz Malik)

Member



Islamabad the 9th September, 2021.