



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW
IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN M/S.
NOVARTIS PHARMA (PAKISTAN) LIMITED BY M/S. INTERNATIONAL
INVESTMENT II LIMITED FROM M/S. NOVARTIS AG AND M/S. NOVARTIS
PHARMA AG

CASE NO. 1550/Merger-CCP/2025



Dr. Kabir Ahmed Sidhu
Chairman

ORDER

1. On 7th July 2025, M/s. International Investment II Limited (“**IIL**” or the “**Acquirer**” or the “the **Applicant**”) submitted a pre-merger application (the “**Application**”) before the Competition Commission of Pakistan (the “**Commission**”). The Application concerned a proposed transaction whereby IIL intends to acquire % shareholding in M/s. Novartis Pharma (Pakistan) Limited (“**Novartis Pakistan**” or the “**Target**”). The shares will be acquired from M/s. Novartis AG (“**Novartis AG**” or the “**Seller 1**”) and M/s. Novartis Pharma AG (“**Novartis Pharma**” or the “**Seller 2**”) (together, the “**Sellers**”) pursuant to a Share Purchase Agreement dated 6th May 2025 (the “**SPA**”).
2. The Application was submitted pursuant to 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. IIL was incorporated in Hong Kong on 11th March 2018 and functions as an investment holding company. It is a wholly owned subsidiary of Getz Bros & Co. BVI Inc., which itself is owned by Development Holding Asia Ltd. (**DHAL**), a holding entity established in the British Virgin Islands with global operations across banking, pharmaceuticals, and other sectors. Although, IIL does not have direct business operations in Pakistan, it maintains a commercial presence through Getz Pharma (Private) Limited (**Getz Pharma**) and Scilife Pharma (Private) Limited (**Scilife Pharma**), which are actively engaged in the import, manufacture, and sale of pharmaceutical products.

Target

4. Novartis Pakistan was incorporated in Pakistan on 6th October 1964. It is a public unlisted company engaged in the manufacture, import, marketing, and distribution of pharmaceutical products. It maintains a longstanding and well-established presence in Pakistan, with extensive operations in both specialized and general therapeutic segments.



Sellers

- 5. Novartis AG, incorporated on 29th February 1996 in Switzerland, and Novartis Pharma, incorporated on 4th March 2004 also in Basel, Switzerland, are global pharmaceutical undertakings engaged in research, development, and commercialization of medicines. They are the controlling shareholders of Novartis Pakistan.

Transaction

- 6. Pursuant to the SPA, IIL will acquire _____¹ ordinary shares (approximately, _____ %) of the issued and paid-up share capital of Novartis Pakistan from the Sellers. The purchase consideration will be remitted from IIL’s offshore funds to the Sellers’ designated Swiss bank account. The purchase price for the shares is USD _____ (approximately, PKR _____) (the “**Transaction**”).
- 7. Currently, IIL does not hold any shares in the Novartis Pakistan. Post-transaction, IIL will hold _____ % of the shares in Novartis Pakistan which will result in direct change in control.

Phase-I Competition Assessment

Procedural Review

- 8. The Commission, after examining the record, conducted a Phase-I review under Section 11 of the Act, read with the Merger Regulations, in order to assess compliance and determine whether the Transaction is likely to result in the creation or strengthening of a dominant position, or otherwise substantially lessen competition in the relevant market.

Relevant Market

- 9. In defining the relevant product market, the Commission relied on therapeutic class segmentation, which groups medicines by therapeutic use, pharmacological action, and substitutability, rather than on the broader definition of the “**pharmaceutical sector**” as proposed by the merger parties. The Commission noted that the *medicines are not substitutable across therapeutic categories*; for instance, oncology drugs cannot replace



¹ Novartis AG holds _____ shares, and Novartis Pharma AG holds _____ shares; collectively the Sellers are selling their entire shareholding in the Target, which amounts to _____ % shares of the Target

cardiology or respiratory treatments. Each therapeutic class therefore constituted a distinct relevant market. On this basis, the merger parties were required to provide market share data by reference to the Anatomical Therapeutic Class (ATC) Level II.

10. As per the Application, Novartis Pakistan is active in Ophthalmological and Systemic Antifungal agents product markets, whereas the Acquirer Group had no presence in these product markets. However Novartis Pakistan and the Acquirer Group (Getz Pharma and/or Scilife Pharma) overlap occurred in products used in Diabetes, Anti-Rheumatic system, Anti-Epileptics, Renin-Angiotensin System agents, Immunosuppressant, Beta Blocking Agents, Cytostatic Hormone Therapy, CNS Drugs, Antineoplastic, Blood Coagulation, Pituitary and Hypothalamic Hormones and Appetite Stimulants.
11. Accordingly, the broader **relevant product market** for this assessment is the manufacture and supply of pharmaceutical products. However, within the ATC Level II therapeutic classes in which both Novartis Pakistan and the Acquirer's Group are active is determined as **reportable market**.
12. The relevant geographic market is defined as the whole of **Pakistan**, given that regulatory approval, distribution, and pricing operate at the national level are regulated by the Drug Regulatory Authority of Pakistan (**DRAP**), and competitive conditions are sufficiently homogeneous across the country.

Market Shares

13. The Commission examined the market structure using data at the ATC Level II as provided by the Applicant. The analysis covered the Target undertaking, Novartis Pakistan, and the Acquirer Group entities, Getz Pharma and Scilife Pharma.
14. For Ophthalmological and Systemic Antifungal agents, Novartis Pakistan held % and % respectively, while none of the Acquirer's entities were active.
15. In the Lipid Regulating and Atheroma products, Novartis Pakistan had no market share, while Getz Pharma held %. Within Anti-Asthma and COPD products, Novartis

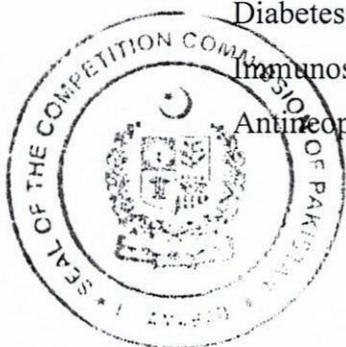


Pakistan was not active, while Getz held % , and Scilife % , combining for market share of % . For Musculo-Skeletal products, Novartis Pakistan had no market share, while Getz held % . In Psychoanaleptics, Novartis Pakistan was not active, while Getz held % , and Scilife % , resulting in a combined share of % . In Mineral supplements, Novartis Pakistan had no market share, while Getz held % and Scilife % , leading to a combined share of % .

16. For drugs used in Diabetes, Novartis Pakistan had % , Getz % , and Scilife % , giving a combined post-merger share of % . Within the Anti-Rheumatic system, Novartis Pakistan held % and Getz % , leading to a combined post-merger share of % . In Anti-Epileptics, Novartis Pakistan's share was % , Getz % , and Scilife % , resulting in a total of % . For Renin-Angiotensin System agents, Novartis Pakistan held % and Getz held % producing a combined share of % . In Immunosuppressant, Novartis Pakistan had % and Getz held % giving a combined market share of % . In Beta-Blocking agents, Novartis Pakistan held % and Getz held % giving a combined market share of % . In Cytostatic Hormone Therapy, Novartis Pakistan had % and Scilife % , giving a combined share of % post-merger. In CNS drugs, Novartis Pakistan held % and Scilife % , leading to a post-merger share of % . Within Antineoplastic, Novartis Pakistan's share was (% , Getz % giving a combined market share of % . For Blood Coagulation products, Novartis Pakistan had % , Getz % leading to a combined post-merger share of % . In Pituitary and Hypothalamic Hormones Novartis Pakistan had % , and Scilife held % resulting in combined market share of % . In Appetite Stimulants, Novartis Pakistan's shares were % and Scilife % had amounting to % .

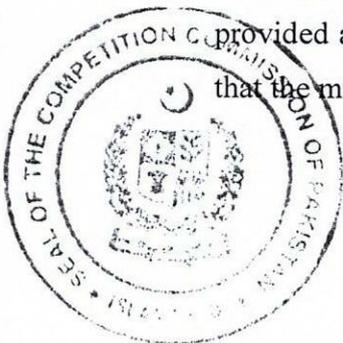
Competition Analysis

17. The Commission observed that the Transaction mainly resulted in horizontal overlaps, as both Novartis Pakistan and the Acquirer Group were active in several of the same therapeutic classes based on volume data. The most significant overlaps appeared in Diabetes, Anti-Rheumatic system, Anti-Epileptics, Renin-Angiotensin System agents, Immunosuppressant, Beta Blocking Agents, Cytostatic Hormone Therapy, CNS Drugs, Antineoplastic, Blood Coagulation, Pituitary and Hypothalamic Hormones and Appetite



Stimulants. In other therapeutic classes, such as Ophthalmological and Systemic Antifungal agents, there were no overlaps.

18. The Commission further noted that the Transaction did not give rise to any material vertical overlaps. Both the Target and the Acquirer Group operated at the same level of the supply chain, namely the manufacture, import, and distribution of finished pharmaceutical products. At present, there were no concerns of input foreclosure or customer foreclosure.
19. The Transaction involved transfer of Novartis Pakistan's local operations to the Acquirer Group, which already maintained a presence in Pakistan through its subsidiaries Getz Pharma and Scilife Pharma. The stated rationale was to maintain continued access to innovative medicines while enhancing investment in the domestic pharmaceutical sector.
20. In response to a specific query from the Commission whether the Acquirer had any other affiliates active in Pakistan's pharmaceutical sector, the parties clarified that its affiliates were limited to Getz Pharma and Scilife Pharma. Other companies within the wider Getz Group included Muller & Phipps Pakistan (Private) Limited (**M&P**) which principally operated as a sales and distribution business. M&P's interests extended across distribution, logistics, and non-pharmaceutical operations. While M&P distributed pharmaceutical products for both Getz Pharma and Novartis Pakistan, as well as certain generics manufactured by independent third parties, it did so solely in the capacity of a distributor. M&P was not engaged in the manufacture, marketing, or sale of its own pharmaceutical products. Its distribution activities also covered a wide range of non-pharmaceutical goods.
21. In examining possible unilateral effects, the Commission assessed whether the Transaction conferred upon the Acquirer the ability or incentive to raise prices, reduce output, or lessen innovation. The pharmaceutical sector in Pakistan was characterized by strong competition from multinational and domestic manufacturers, the ready availability of generics, and the oversight of the DRAP. Procurement through tendering by public sector institutions provided an additional competitive constraint. Thus, the Commission found no evidence that the merged entity would be able to act independently of market forces.



22. With respect to coordinated effects, the Commission considered whether the Transaction increased the risk of tacit or explicit coordination among suppliers. Although overlaps existed in cardiovascular and oncology classes, the markets remained competitive, with multiple multinational companies, strong local producers, a significant presence of generics, and parallel import channels. For the purposes of this assessment, these features were considered sufficient to reduce the risk of coordinated conduct.
23. Having regard to the foregoing, the Commission determined that the Transaction neither created nor strengthened a dominant position, nor did it substantially lessen competition in any relevant product market. The Transaction was therefore not likely to give rise to appreciable adverse effects on competition within the meaning of Section 11 of the Act.

Ancillary Restrictions

24. The Application revealed the presence of certain ancillary restraints within the SPA, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulation 2020.

Determination

25. The Commission concludes that the Transaction does not create or strengthen a dominant position, nor is it likely to substantially lessen competition in Pakistan within the meaning of Section 2(1)(e) read with Section 11 of the Act and the Merger Regulations. Accordingly, the Transaction is authorized under Section 31(1)(d)(i) of the Act.
26. Matters falling outside the Commission's jurisdiction remain subject to applicable laws, judicial orders, and oversight by relevant regulatory authorities.
27. It is so ordered.



Dr. Kabir Ahmed Sidhu
(Chairman)

ISLAMABAD, NOV 4th, 2025

