



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF JOINT VENTURE BETWEEN M/S. TARIQ GLASS  
INDUSTRIES LIMITED AND M/S. ICI PAKISTAN LIMITED.**

**CASE: 1268/Merger-CCP/22**

Commission

Ms. Rahat Kaunain Hassan  
*Chairperson*

ML.

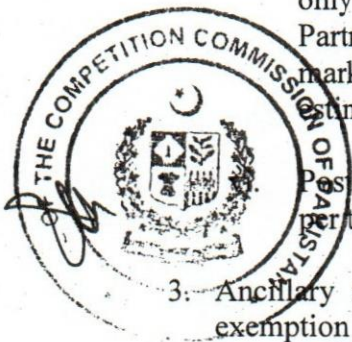


Mujtaba Ahmad Lodhi  
*Member*



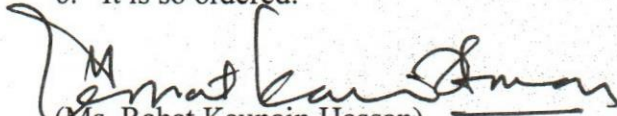
## ORDER

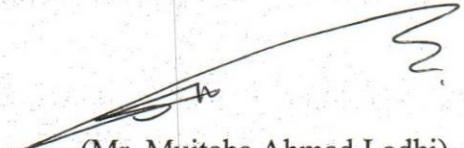
1. On 4<sup>th</sup> March 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") submitted jointly by M/s. Tariq Glass Industries Limited ("**TGL/JV Partner 1**") and M/s. ICI Pakistan Limited ("**ICI/JV Partner 2**") of their intention of creating a joint venture company ("**JVCO**") pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") in accordance with their Joint Venture and Shareholders Agreement dated 18<sup>th</sup> February 2022 ("**Agreement**"). All requisite information/documentation pertaining to the Application was completed on 8<sup>th</sup> April 2022.
2. The Commission has examined the Application along with all the documents attached therewith, the information provided by the concerned undertakings and the relevant market scenario. Therefore, 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 TGL/JV Partner 1: Manufacturing, distribution and exports of float glass, tableware, container ware and opal glass.
    - b. For ICI/JV Partner 2: Engaged in polyester staple fibre, soda ash, chemicals, pharmaceuticals, nutraceuticals, animal health products and agri-sciences.
    - c. For JVCO: Glass manufacturing.
  - ii. Pursuant to the Agreement, the transaction is a creation of a joint venture company by both TGL and ICI. The total cost of the project is estimated to be PKR \_\_\_\_\_ billion which will be funded through equity and debt in equal proportion. TGL/JV Partner 1 will hold \_\_\_\_\_% shareholding and ICI/JV Partner 2 will hold \_\_\_\_\_% shareholding of the JVCO.
  - iii. The relevant product market in this case has been identified as "**Float Glass**" and the relevant geographic market is "**Pakistan**".
  - iv. There already exists a vertical relationship between the undertakings concerned as ICI/JV Partner 2 provides Soda Ash to TGL/JV Partner 1 for the production of Float Glass.
  - v. As per the concerned undertakings' submissions, the market share of TGL/JV Partner 1 on the basis of value is estimated to be \_\_\_\_\_%, whereas, market share of its only competitor, Ghani Glass Limited ("**GGL**") is estimated to be \_\_\_\_\_%. ICI/JV Partner 2 is also a dominant undertaking in the Soda Ash market with an estimated market share of \_\_\_\_\_% (whereas, its only competitor Olympia Chemicals Ltd. has an estimated market share of \_\_\_\_\_%).
3. Post transaction, the JVCO's estimated market share after it commences business, as per the Application, is expected to be \_\_\_\_\_%.
4. Ancillary restrictions have 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 proposed transaction does meet the presumption of dominance as determined under Section 2(1)(e) read with Section 3 of the Act not only by virtue of the market share of TGL/JV Partner 1, but also through the intended vertical relationship between the JV Partners and the JVCO, which is indirectly strengthening the JV Partners' dominance in the relevant product market and the related Soda Ash market.
5. Accordingly, a Phase II Review is hereby initiated under Section 11(6) of the Act in order to ascertain, *inter alia*, the compatibility of the merger with the provisions under Chapter II of the Act.
6. It is so ordered.

  
(Ms. Rahat Kaunain Hassan)  
**Chairperson**

  
(Mr. Mujtaba Ahmad Lodhi)  
**Member**



Islamabad the 28<sup>th</sup> APRIL, 2022.