



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

EX POST FACTO FIRST PHASE REVIEW

IN THE MATTER OF CREATION OF A JOINT VENTURE BY M/S. Y.B. PAKISTAN, M/S. SAPPHIRE ENERGY (PRIVATE) LIMITED, MR. ANSER AHMAD KHAN AND MR. MIAN KARIM UD DIN BY THE NAME OF M/S. ENERGAS TERMINAL (PRIVATE) LIMITED.

CASE: 1243/Merger-CCP/21

Date of Hearing

March 16, 2022

Commission



ML-

Mr. Mujtaba Ahmad Lodhi
Member

On behalf of

M/s. Y.B. Pakistan

M/s. Sapphire Energy (Private) Limited

Mr. Anser Ahmad Khan

Mr. Mian Karim Ud Din

M/s. Energas Terminal (Private) Limited

Mr. Ali Shahab
(Authorized Representative)

ORDER

1. On October 25, 2021, M/s. Qasim Terminal Holdings LLC (“QTHL”) and M/s. Energas Terminal (Private) Limited (“Energas” or “Joint Venture Company”) jointly submitted a pre-merger application (the “Application”) to the Competition Commission of Pakistan (“Commission”) notifying the Commission of the QTHL’s subscription of 49% shareholding of the Energas, along with a pay order of PKR : /- as processing fee, subject to Regulation 6(6) of the Competition (Merger Control) Regulation, 2016 (the “Merger Regulations”) pursuant to the Subscription Agreement (“Agreement”). It was processed under file number 1231/Merger-CCP/2021. Whereas, its order was passed on November 22, 2021.
2. Upon investigation of aforementioned case it was found that, Energas is a joint venture company incorporated on August 21, 2017 and was sponsored by four undertakings. Two of which are authorized representatives of M/s. Y.B. Pakistan Limited (“YB” or “JV Party 1”) and M/s. Sapphire Electric Company Limited (“SEC” or “JV Party 2”) whereas, two are individuals namely Mr. Anser Ahmad Khan (“AAK” or “JV Party 3”) and Mr. Mian Karim Ud Din (“MKD” or “JV Party 4”) collectively as (“JV Parties”).
3. Hearing notices were issued to the JV Parties and Joint Venture Company and a hearing was held on March 16, 2022. The authorized representative during the hearing stated that, due to an inadvertent error, undertaking could not file an application. However, the undertakings are in the process of filing an Application.
4. On 4th of April 2022, the Commission received an Application regarding a joint venture pursuant to Section 11 of the Competition Act, 2010 ("Act") read with Regulation 6 of the Merger Regulation, whereby, JV Parties have created a joint venture company by the name of M/s. Energas Terminal (Private) Limited. All requisite information/documentation pertaining to the application was completed on 18th of April, 2022.
5. 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 markets. 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 JV Party 1: trading of rice, wheat and other commodities; investment in equity securities of the group entities and others; and rental of properties
 - b. For JV Party 2: undertake, develop power projects and make equity investments, acquire or hold shares in companies involved in energy generation and to establish and operate a terminal for the handling regasification, storage, treatment, and processing of Liquefied Natural Gas (“LNG”), Regasified Liquefied Natural Gas (“RLNG”), Liquid Petroleum Gas (“LPG”) Natural Gas Liquid (“NGL”) and other related products.
 - c. For JV Party 3: is an individual
 - d. For JV Party 4: is an individual

Under the Application, the transaction under consideration was a creation of joint venture Company by JV Parties



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iii. Shareholding of the JV Company is as follows:

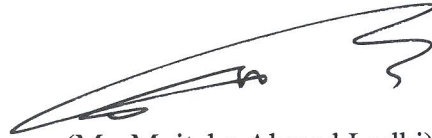
Pattern of Shareholding		
Shareholders	Initial	Current
JV Party 1		
JV Party 2		
JV Party 3		
JV Party 4		
Total		

iv. The relevant product/service markets in this case have been identified as “LNG – Storage and Regasification” and the relevant geographic market is “Pakistan”.

v. As per the Application, the JV Company will primarily be active in LNG import and regasification. Currently, it is non-operational. However, as per the Application, upon commencement its market share is projected to be around 0% to 33% in the relevant market.

6. In conclusion, the proposed transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act, solely to the extent of competition concerns in the relevant market and subject to all statutory and regulatory approvals.

7. It is so ordered.



(Mr. Mujtaba Ahmad Lodhi)
Member



Islamabad the 18th April, 2022.