



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING OF M/S. AL
RAJHI STEEL INDUSTRIES COMPANY BY M/S. SAUDI IRON AND STEEL
COMPANY FROM M/S. MOHAMMAD BIN ABDULAZIZ AL RAJHI & SONS
INVESTMENT.

CASE: 1423/Merger-CCP/2023



Commission

Dr. Kabir Ahmed Sidhu
Chairman

Mr. Saeed Ahmad Nawaz
Member

ORDER

1. On 9th January 2024 the Competition Commission of Pakistan (hereafter "**Commission**") received a pre-merger application (hereafter "**Application**") from M/s. Saudi Iron and Steel Company ("**Hadeed**" or "**Acquirer**").
2. The Application was made pursuant to Section 11 of the Competition Act, 2010 (hereafter "**Act**") read in conjunction with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (hereafter "**Merger Regulations**").
3. The proposed transaction entails acquisition of % shareholding of Al Rajhi Steel Industries Company ("**Al Rajhi Steel**" or "**Target**") by the Acquirer from M/s. Mohammad Bin Abdulaziz Al Rajhi & Sons Investment ("**Al Rajhi Invest**" or "**Seller**").
4. 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:

4.1. The business activities of the undertakings concerned are:

- a) **Acquirer:** It is a limited liability company incorporated and existing under the laws of the Kingdom of Saudi Arabia. Hadeed was established in 1979 as a joint venture between SABIC and Korf-Stahl of West Germany. In 2007, Hadeed became a fully owned affiliate company of SABIC. The company produces hot and cold rolled products, galvanized steel products, rebars and wire rod at a plant in Al Jubail (Saudi Arabia).
- b) **Target:** It is a closed joint stock company registered in the Kingdom of Saudi Arabia. Al Rajhi Steel was established in 1978 and is a fully owned subsidiary of Al Rajhi Invest. Al Rajhi Steel is a Saudi steel manufacturer, primarily active in Saudi Arabia, that produces long steel products, including rebars, rebar coils and wire rods.

4.2. As submitted in the Application Hadeed entered into a share exchange agreement with Al Rajhi Invest ("**SPA 2**"), pursuant to which Hadeed agrees to acquire all of the issued share capital in Al Rajhi Steel in exchange for Al Rajhi Invest receiving certain newly issued shares in Hadeed, subject to satisfaction of all of the conditions set out in SPA 2.

4.3. The transaction value is SAR (PKR)

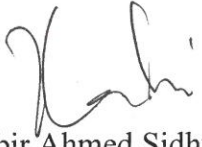
4.4. The relevant product market in this case has been identified as "**Flat Steel products**" and the relevant geographic market is "**Pakistan**".

4.5. Based on the data available, Hadeed has a market share of % which is unlikely to change post-transaction.


5. The proposed transaction will not result in dominance of the Acquirer in the relevant market, post-transaction, as determined under Section 2(1)(e) read with Section 3 of the Act. Therefore, it is hereby authorized under Section 31(1)(d)(i) of the Act.



6. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.
7. It is so ordered.



Dr. Kabir Ahmed Sidhu
Chairman



16/02/24
Mr. Saeed Ahmad Nawaz
Member

Islamabad the February 16th, 2024.

