



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF 100% SHAREHOLDING IN M/S. FLY  
JINNAH SERVICES (PRIVATE) LIMITED BY M/S. INTERNATIONAL BUSINESS  
COMPANY FROM MR IQBAL ALI LAKHANI AND MR. SHAHNAWAZ HAIDER  
NAWABI

CASE: 1226/Merger-CCP/2021

Commission

Ms. Shaista Bano  
*Member*

Ms. Bushra Naz  
*Member*

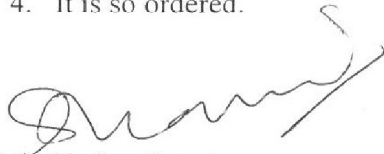


## ORDER

1. On 24<sup>th</sup> September, 2021, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") collectively from International Business Company FZE ("**IBC**" or "**Acquirer**"), Mr. Iqbal Ali Lakhani ("**Iqbal Ali**" or "**Seller 1**"), Mr. Shahnawaz Haider Nawabi ("**Shahnawaz Haider**" or "**Seller 2**") and M/s. Fly Jinnah Services (Private) Limited ("**Fly Jinnah**" or "**Target**") of a proposed acquisition of % shareholding in the Target by the Acquirer from Seller 1 and Seller 2 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 Share Purchase and Shareholders Agreement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 29<sup>th</sup> September, 2021.
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. Acquirer: Engaged in the aviation business in the UAE and other countries by direct and indirect investment in airlines and ancillary business.
    - b. Target: Domestic & International Commercial Airline.
    - c. Seller 1: Individual.
    - d. Seller 2: Individual.
  - ii. As per the Agreement, the authorized capital of Fly Jinnah is PKR : /- whereas, it's issued share capital is PKR /- at par value of PKR /- each. According to the agreement, the Acquirer intends to acquire issued share capital of the Target and then subscribe to further shares by the way of the capital increase which in aggregate will result in the Acquirer owning % of the issued and authorized share capital of the Target. The total transaction value is estimated to be PKR which would be remitted as a foreign direct investment via bank transfer from UAE.
  - iii. The relevant service market in this case has been identified as that of "**Domestic and International Passenger Air Travel**" while the relevant geographic market identified is "**Pakistan**".
  - iv. Fly Jinnah is currently not operational in the relevant service market. Hence, the estimated pre-merger market share is nil. However in post-transaction it plans to operate in the domestic and international passenger air travel market.
  - v. The Acquirer is not directly present in the relevant service market, however, Air Arabia, the parent company of the Acquirer is operational in the International Passenger Air Travel relevant service market. The pre-transaction market share in the International Passenger Air Travel relevant service market is estimated to be %.
  - vi. Post-transaction a new player is entering in the relevant service market with the objective of providing a low-cost passenger airline.



3. The proposed transaction is an acquisition and 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.
4. It is so ordered.



(Ms. Shaista Bano)  
**Member**



(Ms. Bushra Naz)  
**Member**

Islamabad the September 30, 2021.

