



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN
M/S. MACSTEEL INTERNATIONAL HOLDINGS BV BY M/S. MACSTEEL
GLOBAL SARL BV FROM M/S. MSSA INVESTMENTS BV

CASE: 995/Merger-CCP/18

Commission

Ms. Vadiyya S. Khalil
Chairperson

Dr. Shahzad Ansar
Member



ORDER

1. On 10th September 2018 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s. Macsteel Global SARL BV ("**Acquirer**" or "**Applicant**") intends to acquire % shareholding in M/s. Macsteel International Holdings BV ("**Target**") by way of share purchase from M/s. MSSA Investments BV ("**Seller**").
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and its observations on the basis of independent research/investigation in the relevant market. The Phase I competition assessment of the intended acquisition has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: Investment Holding Company
 - b. For the Target: A holding company which engages in steel trading and shipping through its subsidiaries
 - c. For the Seller: Investment Holding Company
 - ii. The proposed transaction is an acquisition of % shareholding in the Target by the Acquirer from the Seller. The relevant product market in this case has been identified as that of "**Bulk Steel Products**" having a geographic market identified as of "**Pakistan**". The Target through its subsidiary, is engaged in the international trade of bulk steel and through this has traded and earned revenue in Pakistan.
 - iii. At present, the Acquirer holds % shares of the Target and controls the day-to-day operations of the Target and post-transaction, this shareholding will increase to %. Post-transaction, there will be no change in the market dynamics as the transaction involves sale and purchase of shares of the Target between existing shareholders.
 - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended merger does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
3. In conclusion, the proposed transaction is not likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.

Vadiya S. Khalil

(Vadiya S. Khalil)
Chairperson

Dr. Shahzad Ansar

(Dr. Shahzad Ansar)
Member

Islamabad the 27th November, 2018.

