



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

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

CASE: 1424/Merger-CCP/2023

Dr. Kabir Ahmed Sidhu  
*Chairman*



Commission

  
16/11  
Mr. Saeed Ahmad Nawaz  
*Member*

## ORDER

1. On 9<sup>th</sup> January 2024 the Competition Commission of Pakistan (hereafter "**Commission**") received a pre-merger application (hereafter "**Application**") from M/s. The Public Investment Fund ("**PIF**" or "**Seller**").
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 M/s. Saudi Iron and Steel Company ("**Hadeed**" or "**Target**") by Acquirer from M/s. Mohammad Bin Abdulaziz Al Rajhi & Sons Investment ("**Al Rajhi Invest**" or "**Acquirer**") from the 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 Saudi Closed Joint Stock Company registered in Riyadh in the Kingdom of Saudi Arabia. Al Rajhi Invest is a dynamic investment and industrial group in Saudi Arabia, which has investments in financial investments, steel production, water bottling, gypsum, plastic products, white goods, hospitality, real estate, education, food and beverages. The group's business is mainly conducted in Saudi Arabia and London.
- b) Target: 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).

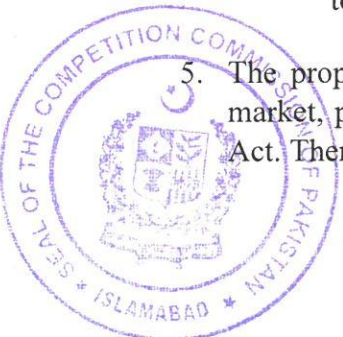
4.2. As submitted in the Application, PIF entered into a share purchase agreement with Al Rajhi Invest ("**SPA 3**"), pursuant to which PIF agrees to sell a certain number of existing shares in Hadeed to Al Rajhi Invest to arrive at an agreed percentage of ownership between PIF ( %), and Al Rajhi Invest ( %) in Hadeed.

4.3. The purchase price of the Transaction will not exceed 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**".

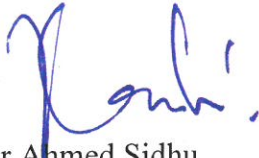
4.5. Based on the data available, Hadeed has a market share of % which is unlikely to change post-transaction.

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.

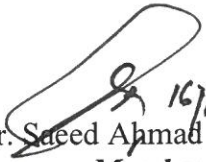


6. In the subject transaction, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws.

7. It is so ordered.



Dr. Kabir Ahmed Sidhu  
**Chairman**



16/ii/2024  
Mr. Saeed Ahmad Nawaz  
**Member**

Islamabad the February 16<sup>th</sup>, 2024.

