



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

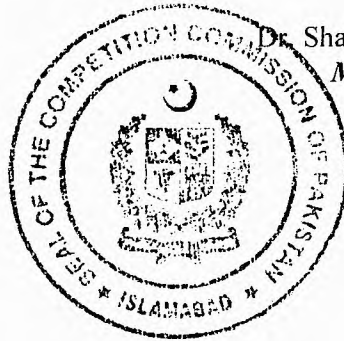
IN THE MATTER OF ACQUISITION OF CERTAIN IMMOVABLE AND
MOVABLE ASSETS, INCLUDING THE MILL, OF M/S. GULF SUGAR MILLS
LIMITED BY M/S. AKT SUGAR MILLS (PRIVATE) LIMITED

CASE: 1006/Merger-CCP/18

Commission

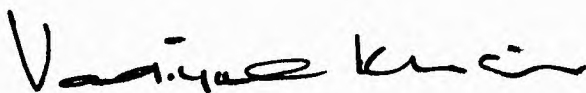
Ms. Vadiyya S. Khalil
Chairperson

Dr. Shahzad Ansar
Member

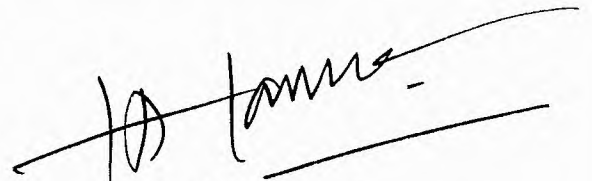


ORDER

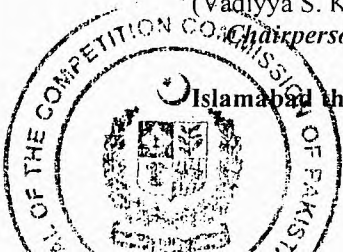
1. On 28th November 2018 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s. AKT Sugar Mills (Private) Limited ("**Acquirer**") intends to acquire certain immovable and movable assets, including the mill, of M/s. Gulf Sugar Mills Limited ("**Seller**"). All the requisite information/documents pertaining to the application was completed by the applicant on 17th December 2018.
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: Production and sale of sugar and by-products
 - b. For the Target: Production and sale of white sugar and its by-products
 - ii. In the proposed transaction, the Acquirer intends to acquire certain immovable and movable assets, including the mill, from the Seller. The mill, i.e. sugar manufacturing facility/mill in Ghotki, Sindh, comprising of land and building and entire infrastructure, the sugar manufacturing plant and machinery comprised in the Mill, and some land situated in Punjab is being acquired. Currently, only the Target is engaged in the relevant product market of "**Manufacture & Sale of Sugar and by-products**" having a geographic market identified as of "**Pakistan**".
 - iii. At present, the Seller has a market share of in Sindh and if taking account of total production in the country. Post-transaction, the Acquirer will gain presence in the market while its Sponsors will have a slight increase in their market share as they have interests in other companies involved in the relevant market.
 - 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.



(Vadiyya S. Khalil)
Chairperson



(Dr. Shahzad Ansar)
Member



Islamabad the 19th December, 2018.