



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

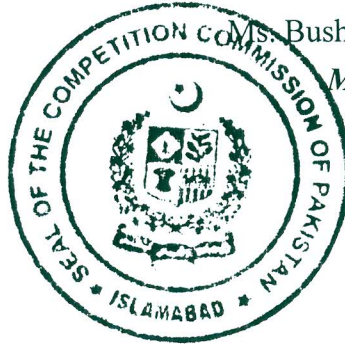
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF M/S. CAREEM INC. BY M/S. UBER  
TECHNOLOGIES, INC. THROUGH M/S. AUGUSTA ACQUISITION B.V.

CASE: 1032/Merger-CCP/19

Commission

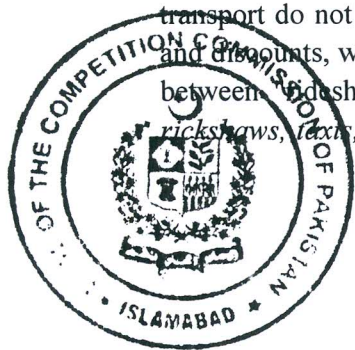
Ms. Vadiyya Khalil  
*Chairperson*



Ms. Bushra Naz Malik  
*Member*

## ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") sent jointly by M/s. Uber Technologies, Inc. ("**Uber**") and M/s. Careem Inc., ("**Careem**" or "**Target**") notifying the Commission of Ubers acquisition of Careem through Ubers subsidiary M/s. Augusta Acquisition B.V. ("**Augusta**" or "**Acquirer**"), pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
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 concerned parties are:
    - a. For the Acquirer: Ridesharing Services
    - b. For the Target: Ridesharing Services
  - ii. This transaction is an asset sale and purchase whereby the Acquirer, an acquisition vehicle indirectly wholly-owned by Uber, will acquire . % of the assets of Careem. These assets include (i) limited assets of Careem in the British Virgin Islands; and (ii) 100% of the shares of the three Careem subsidiaries that are directly owned by Careem, namely (a) Careem PS Inc., (b) Carsupply Holding Inc., and (c) Careem Networks FZ LLC, as well as entities that are directly or indirectly owned by these three subsidiaries. The total consideration for this acquisition is US\$ (approximately PKR , which is the transaction value in this case.
  - iii. The relevant product market in this case is that of the business of "Ridesharing Services", while the relevant geographic market consists of Islamabad, Karachi, Lahore, Faisalabad, Gujranwala, Hyderabad, Multan and Peshawar.
  - iv. As per the Applicants, ridesharing services "*are part of the broader local, urban transportation market including all the means of transporting people from A to B such as rickshaws, taxis, buses and minibuses.*" Based on this definition of the relevant market, the Applicants submit that their combined market shares never exceed in urban transportation overall.
  - v. We disagree with this assessment. "Ridesharing", by reason of its characteristics, prices and intended usage, is not interchangeable or substitutable with the modes of transportation stated above. Uber and Careem patrons rely on Mobile Applications or the Internet in order to call or summon matched drivers to their locations, whereas generally, for other modes of transportation the customer has to either flag down rickshaws or taxis (street-hail), or wait at designated bus stops for buses and minibuses.
  - vi. Uber and Careem also provide different packages according to the quality of the transport being hailed (air-conditioned, non air-conditioned, Economy, Executive, etc), whereas other modes of transport do not provide this choice of services. Further, Uber and Careem also provide promotions and discounts, whereas other modes of transport generally do not. Due to many distinguishing factors between "Ridesharing" services and "*all the means of transporting people from A to B such as rickshaws, taxis, buses and minibuses,*" we deem "ridesharing" services to be distinct from all other



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modes of transport from A to B. For this reason, only ridesharing services have been considered as the relevant product market in this case.

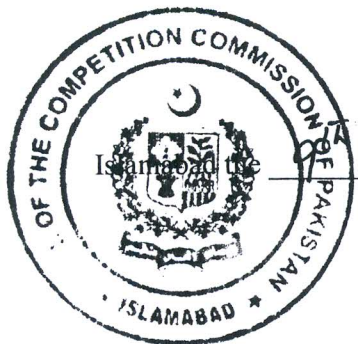
- vii. Based on our assessment of the relevant market, Uber has a market share of approximately  $\%$ , while Careem's share is approximately  $\%$ . Post-transaction, the combined market share of the parties will be approximately  $\%$ .
  - viii. The transaction is likely to result in the creation or strengthening of dominant position in the relevant market as it meets the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act.
3. In conclusion, the Commission finds that the proposed transaction is likely to substantially lessen competition through the creation or strengthening of a dominant position in the relevant market. Accordingly, a Phase II review is hereby initiated under Section 11(6) of the Act.
  4. It is so ordered.

*Vadiyya Khalil*

(Ms. Vadiyya Khalil)  
*Chairperson*

*Bushra Naz Malik*

(Ms. Bushra Naz Malik)  
*Member*



*August* 2019