



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

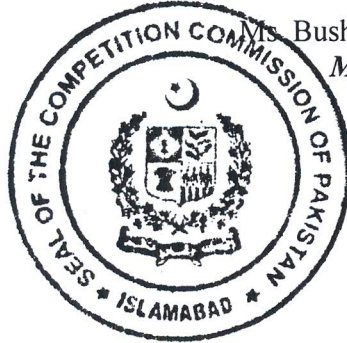
IN THE MATTER OF JOINT VENTURE BETWEEN M/S. JOHNSON NETHERLANDS
COOPERATIEF UA II, M/S. IGI INVESTMENTS (PRIVATE) LIMITED AND M/S. S. C.
JOHNSON & SON OF PAKISTAN (PRIVATE) LIMITED

CASE: 1039/Merger-CCP/19

Commission

Ms. Vadiyya S. Khalil
Chairperson

Ms. Bushra Naz Malik
Member



ORDER

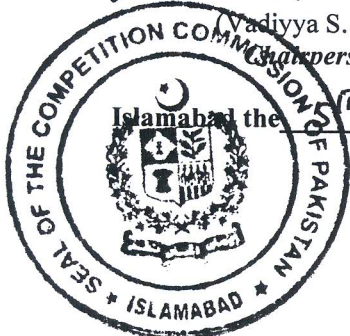
1. On 30th May 2019 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed joint venture pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") where M/s. IGI Investments (Private) Limited ("**JV Party 1**" or "**Applicant**"), M/s. Johnson Netherlands Cooperatief UA II ("**JV Party 2**") and M/s. S. C. Johnson & Son of Pakistan (Private) Limited ("**JV Party 3**") have entered into a Joint Venture Agreement "**JVA**". All the requisite information/documentation pertaining to the application was completed by the applicant on 28th June 2019.
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 JV Party 1: Investing, acquiring, selling and holding of equity/debt securities.
 - b. For JV Party 2: Holding company of JV Party 3.
 - c. For JV Party 3: Import, distribution and manufacture of cleaning, skin-care, insecticide and household products in Pakistan.
 - ii. The proposed transaction is a joint venture between JV Party 1, JV Party 2 and JV Party 3 through which JV Party 1 will subscribe to newly issued ordinary shares of JV Party 3 representing % of its then paid-up capital. Upon completion of the transaction, JV Party 1 and JV Party 2 will jointly control JV Party 3 according to the terms of the JVA. Currently, only JV Party 3 is engaged in the relevant product markets of "**Import, distribution and manufacture of home cleaning / household products and insecticides**" having a geographic market identified as of "**Pakistan**". Presently, no overlaps exist between the merger parties in Pakistan.
 - iii. With regards to the market for "**Home cleaning / household products**", JV Party 3 has % market share while it has % market share in "**Insecticides**" market. Post-transaction the market position of JV Party 3 in the relevant product markets is unlikely to change.
 - 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. The applicant is also hereby instructed to submit an Exemption Application to obtain an exemption under Section 5 of the Competition Act, 2010 read with Regulation 4 of the Competition (Exemption) Regulations, 2014.
4. 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.
5. It is so ordered.

Vadiyya S. Khalil

(Vadiyya S. Khalil)
Chairperson

Bushra Naz Malik

(Ms. Bushra Naz Malik)
Member



August, 2019.