



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF SUBSCRIPTION, BY M/S PAKMOTORS LIMITED, TO  
SHARE CAPITAL OF M/S KIA LUCKY MOTORS PAKISTAN LIMITED BY WAY  
OF SHARE PURCHASE**

**CASE: 933/Merger-CCP/17**

Commission

Ms. Vadiyya S. Khalil  
*Chairperson*

Dr. Muhammad Saleem  
*Member*



## ORDER

1. On 28<sup>th</sup> December 2017 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 Pakmotors Limited ("**Acquirer**" or "**Applicant**") intends to subscribe to share capital of M/s Kia Lucky Motors Pakistan Limited ("**Target**") by way of share purchase.
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: Manufacturing, assembling, distribution, marketing, sale, after-sale-service, import and export of all types of KIA motor vehicles, parts and accessories under license from KIA Motors Corporation.
  - ii. The proposed transaction is an acquisition by way of subscription of share capital of the Target by the Acquirer. The Target will be engaged in the relevant product markets of Manufacturing, Assembling, Distribution, Marketing and Sale of Automobiles" and "Sale of Automobile accessories and spare parts" having a geographic market identified as of "Pakistan".
  - iii. Currently, neither of the merger parties hold any market share as the Target has not commenced its business yet.
  - 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 Khalil*

(Vadiya S. Khalil)  
*Chairperson*

*M. Saleem*

(Dr. Muhammad Saleem)  
*Member*



Islamabad the 21<sup>st</sup> Feb, 2018.