



**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. PUBLIC INVESTMENT FUND OF SAUDI
ARABIA FROM M/S. SAUDI BASIC INDUSTRIES CORPORATION.**

CASE: 1422/Merger-CCP/2023



Dr. Kabir Ahmed Sidhu
Chairman

Mr. Saeed Ahmad Nawaz
Member

ORDER

1. On 9th 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 "**Acquirer**").
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 the Acquirer from M/s. Saudi Basic Industries Corporation ("**SABIC**").
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: Established in Riyadh, Saudi Arabia, in 1971, PIF is the Saudi Arabian sovereign wealth fund. It has direct and indirect investments in a number of sectors across Saudi Arabia and globally, including food and agriculture, energy, financial services, manufacturing, real estate, logistics and digital sectors. PIF is an instrumentality of Saudi Arabia with financial autonomy, as well as independence, in carrying out its investment management and operations activities.
- 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).

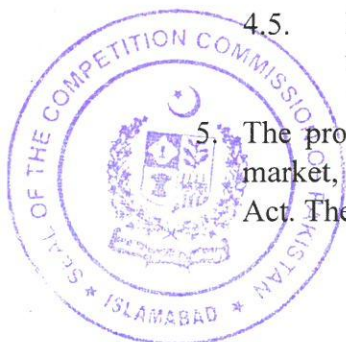
4.2. As submitted in the Application, PIF entered into a share purchase agreement with SABIC ("**SPA 1**"), pursuant to which SABIC agrees to sell, and PIF agrees to purchase, the entire issued share capital of Hadeed, subject to satisfaction of all of the conditions set out in SPA 1.

4.3. The consideration for this transaction shall 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, the Target 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.

Kabir

Dr. Kabir Ahmed Sidhu
Chairman

8/16/2024
Mr. Saeed Ahmad Nawaz
Member

Islamabad the February 16th, 2024.

