



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

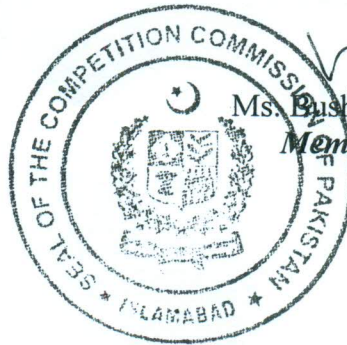
FIRST PHASE REVIEW

IN THE MATTER OF JOINT VENTURE BETWEEN M/S. VOLKSWAGEN AG AND  
M/S. RIMAC AUTOMOBILI D.O.O.

CASE: 1165/Merger-CCP/21

Commission

Ms. Shaista Bano  
*Member*



Ms. Bushra Naz  
*Member*

## ORDER

1. On April 28, 2021 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**") from M/s. Volkswagen AG ("**JV Party 1**") and M/s. Rimac Automobili d.o.o. ("**JV Party 2**") whereby JV Party 1 and JV Party 2 intend to form a Joint Venture company NewCo, pursuant to a Memorandum of Understanding.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an independent research/investigation in the relevant market. The Phase I competition assessment of the intended transaction has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For JV Party 1: Active worldwide in the development, manufacturing, marketing and sale of cars, light commercial vehicles, trucks, buses, coaches, chassis for buses and diesel engines, motorcycles, each including spare parts and accessories.
    - b. For JV Party 2: Active in electric vehicles business.
  - ii. The proposed transaction involves creation of NewCo, a full-function Joint Venture between JV Party 1 and JV Party 2 (on the basis of \_\_\_\_\_ ratio respectively). NewCo shall be a sustainable and self-funding company active in the development, manufacturing and distribution of hypercars.
  - iii. The transaction consideration value is Euro \_\_\_\_\_ (approximately PKR \_\_\_\_\_ as at 18/05/2021).
  - iv. The reportable product market in this case is identified as "**Automobile – Plug-in-Hybrid Hypercar**" while the relevant geographic market is "**Pakistan**".
  - v. Based on the data provided in the application, the merger parties have no official presence in Pakistan in the reportable market, therefore, market share is deemed nil.
  - vi. Post-transaction, the market conditions will remain unchanged.
3. In conclusion, the intended transaction, does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.



(Ms. Shaista Bano)  
*Member*



(Ms. Bushra Naz)  
*Member*

Islamabad the 26<sup>th</sup> MAY, 2021.

