

BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

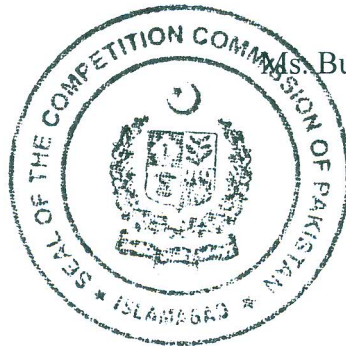
FIRST PHASE REVIEW

IN THE MATTER OF ISSUANCE AND SUBSCRIPTION OF  
ORDINARY SHARES OF M/S. HYUNDAI NISHAT MOTOR (PVT.) LIMITED BY M/S.  
SOJITZ CORPORATION, M/S. NISHAT MILLS LIMITED, M/S. MILLAT TRACTORS  
LIMITED, M/S. D.G. KHAN CEMENT COMPANY LIMITED, M/S. SECURITY  
GENERAL INSURANCE COMPANY LIMITED AND M/S. ADAMJEE INSURANCE  
COMPANY LIMITED.

CASE: 1098/Merger-CCP/20

Commission

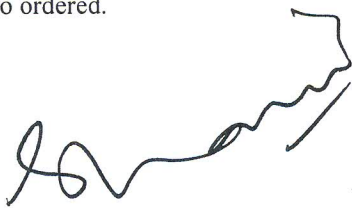
Ms. Shaista Bano  
*Acting Chairperson*



Ms. Bushra Naz Malik  
*Member*

## ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") sent by M/s. Hyundai Nishat Motor (Pvt.) Limited ("**Hyundai**" or "**Target**"), notifying the Commission of the issuance and subscription of ordinary shares of Hyundai by M/s. Sojitz Corporation ("**Sojitz**"), M/s. Nishat Mills Limited ("**Nishat**"), M/s. Millat Tractors Limited ("**Millat**"), M/s. D.G. Khan Cement Company Limited ("**DG Khan**"), M/s. Adamjee Insurance Company Limited ("**Adamjee**") and M/s. Security General Insurance Company Limited ("**SGI**") (collectively "**Acquirers**"), 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 transaction has resulted in the following findings:
  - i. The business activities of the concerned parties are:
    - a. For Sojitz: Trading, financing and investing in various sectors including energy, mineral resources, chemicals, food, agriculture, textiles, real estate and automobiles.
    - b. For Nishat: Manufacturing and export of textile articles, and the generation and sale of electricity.
    - c. For Millat: Assembly, manufacturing and distribution of Tractors.
    - d. For DG Khan: Production and sale of clinker and cement.
    - e. For Adamjee: Provision of general insurance.
    - f. For SGI: Provision of general insurance.
    - g. For Hyundai: Assembly, manufacturing and distribution of passenger and light commercial vehicles.
  - ii. This transaction entails the issuance and allotment of new ordinary shares to the Acquirers by the Target, for a consideration of PKR which is the transaction value in this case.
  - iii. The relevant product market has been identified as the business of assembling, manufacturing and distribution of passenger and light commercial vehicles, while the relevant geographic market is Pakistan. None of the Acquirers are active in the relevant market, therefore their individual shares of the market are nil. As Hyundai has not commenced operations, its market share is also currently nil, however as per the Application, Hyundai intends to acquire a market share of % by the year 2024.
  - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended transaction does not meet the presumption of dominance as determined under Section 2 (1) (e) read with Section 3 of the Act.
3. In conclusion, the proposed transaction is unlikely 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.



(Ms. Shaista Bano)  
Acting Chairperson



(Ms. Bushra Naz Malik)  
Member



Islamabad the MAY 21, 2020