



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF REORGANISATION BY WAY OF ACQUISITION OF
M/S BESTWAY HOLDINGS LIMITED BY M/S BESTWAY GROUP LIMITED

CASE: 931/Merger-CCP/17

Commission


Ms. Vadiyya S. Khalil
Chairperson


Dr. Muhammad Saleem
Member



ORDER

1. On 20th December 2017 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**"), jointly submitted by M/s Bestway Holdings Limited ("**BHL**" or the "**Target**"), M/s Bestway Cement Limited ("**BCL**" or the "**Target – Subsidiary 1**") and M/s United Bank Limited ("**UBL**" or the "**Target – Subsidiary 2**"), 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 Bestway Group Limited ("**Acquirer**") intends to acquire shareholding of BHL by way of share for share exchange.
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: Will act as a holding company for Bestway Group.
 - b. For the Target: Wholesale, banking, cement, pharmacy and real estate.
 - c. For the Target – Subsidiary 1: Cement Manufacturing.
 - d. For the Target – Subsidiary 2: Commercial Banking.
 - ii. The proposed transaction relates to Reorganization by way of Acquisition whereby, BGL will acquire BHL and become the ultimate holding company of Bestway Group. Although the Target is based in United Kingdom, other joint applicants are based in Pakistan and are operating in the relevant product markets namely "**Cement Manufacturing**" and "**Commercial Banking**" having a geographic market identified as of "**Pakistan**".
 - iii. The current proposed reorganization does not remove or alter BHL's status as shareholder and holding company of both BCL and UBL in any way. Post-transaction, the market dynamics will remain unchanged as the nature of the transaction is affiliated to reorganization.
 - 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.


(Vadiyya S. Khalil)
Chairperson


(Dr. Muhammad Saleem)
Member

Islamabad the 18th January 2018.

