



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

**IN THE MATTER OF MERGER OF JUNAID JAMSHED (PRIVATE) LIMITED
WITH AND INTO U&I GARMENTS (PRIVATE) LIMITED**

CASE: 1513/Merger-CCP/2025



**Dr. Kabir Ahmed Sidhu
Chairman**

ORDER

1. On 16th January 2025, the Competition Commission of Pakistan (the “**Commission**”) received a joint pre-merger application (the “**Application**”) from U&I Garments (Private) Limited (“**U&I**” or the “**Merger Party 1**”) and Junaid Jamshed (Private) Limited (“**JJPL**” or the “**Merger Party 2**”) (collectively referred to as, the “**Merger Parties**”), seeking approval of a proposed transaction whereby U&I intends to acquire the _____ of JJPL pursuant to a Shareholders Agreement dated 20th November, 2024 (the “**Agreement**”).
2. The Application was filed under Section 11 of the Competition Act, 2010 (the “**Act**”) read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 (the “**Merger Regulations**”).

Merger Parties

Merger Party 1

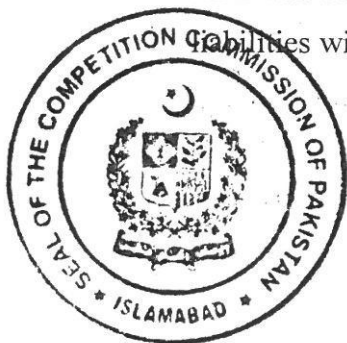
3. U&I is a private limited company incorporated under the laws of Pakistan. It is engaged in the business of manufacturing and export of ready-made garments, as well as local retail sales through its own branded outlets.

Merger Party 2

4. JJPL is a private company incorporated under the laws of Pakistan. It operates as a multi-category retail business offering stitched and unstitched garments, perfumes, cosmetics, jewellery, footwear, handbags and related accessories.

Transaction

5. According to the terms of the Agreement, U&I will acquire _____ business of JJPL through a share swap arrangement. In consideration for the acquisition, U&I will issue shares at a ratio of _____ of its own shares for _____ share held in JJPL. This will result in the issuance of _____) new shares by U&I to the existing shareholders of JJPL. Post-transaction, JJPL will cease to exist as a separate legal entity, and its business operations, assets and liabilities will be _____ integrated into U&I. (the “**Transaction**”).



Phase-I Competition Assessment

Procedural Review

6. The Commission undertook a Phase-I review to assess whether the proposed Transaction would substantially lessen competition by creating or strengthening a dominant position in any relevant market, as per Section 11 of the Act and the applicable Merger Regulations.

Relevant Market

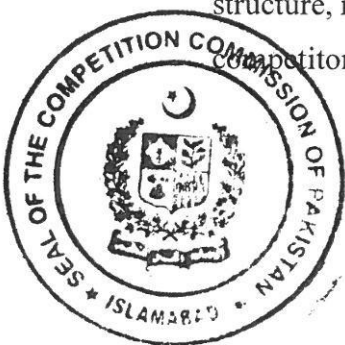
7. Based on the nature of business operations of the Merger Parties, the following relevant product markets have been identified: **Ready-made apparel** (stitched and unstitched garments); **Footwear, Accessories** (including Handbags, jewellery, etc.), **Fragrance and Cosmetics**. The relevant geographic market is defined as the territory of **Pakistan**, considering that both parties operate nationwide through integrated retail networks and online platforms.

Market Share

8. The post-merger market shares in the respective product markets are as follows: (a) Apparel: (a) Increase from % to %; (b) Footwear: Increase from % to % (c) Accessories: Increase from % to %; (d) Fragrances: Increase from % to %. There will be changes in market share of the Merger Parties resulting from the merger.

Competition Analysis

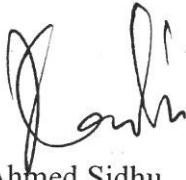
9. As disclosed in the Application, % of JJPL shareholding is already held by U&I, while the remaining % is owned by individuals who are also shareholders in U&I. Accordingly, the Transaction represents an intra-group consolidation with a transfer of business.
10. The Transaction results in horizontal overlaps in the retail sale of garments and accessories, and potential vertical integration along the retail and manufacturing chain. However, these overlaps are limited in scale and do not significantly alter the market structure, nor do they result in foreclosure effects or input dependencies that would harm competitors.



11. Moreover, barriers to entry and expansion in the affected markets remain moderate to low, with several active domestic and international competitors. Consumer choice and access are unlikely to be adversely impacted.

Determination

12. Based on the analysis of the transaction structure, relevant market dynamics, market share data, and competitive effects, the Commission concludes that the proposed Transaction does not create or strengthen a dominant position in the relevant market, as defined under Section 2(1)(e) and is not likely to substantially lessen competition under Section 11 of the Act and the Merger Regulations. The proposed Transaction is hereby authorized under Section 31(1)(d)(i) of the Act.
13. Notwithstanding the above, matters which may fall outside the scope of the Commission's purview, remain subject to applicable laws, judicial orders and the oversight of relevant regulatory bodies.
14. It is so ordered.



Dr. Kabir Ahmed Sidhu
Chairman



ISLAMABAD, APRIL 22, 2025.