



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION BY M/S. PUMA ENERGY SOUTH ASIA  
HOLDINGS B.V. OF SHAREHOLDING IN M/S. ADMORE GAS (PVT.)  
LIMITED.

CASE: 912/Merger-CCP/17

Commission

Ms. Vadiyya Khalil  
Chairperson



Mr. Akram Ul Haque Qureshi  
Member

## I. BACKGROUND

1. The Competition Commission of Pakistan ("the Commission") is in receipt of a pre-merger application ("the Application") sent by M/s. Puma Energy South Asia Holdings B.V. ("Puma" or "Acquirer") notifying the Commission of its acquisition of shareholding in M/s. Admore Gas (Pvt.) Limited ("Admore" or "Target"), out of which, shareholding is being acquired from Mr. Amir Chishti ("the Seller"), pursuant to a Share Purchase Agreement, while the remaining shares are being acquired through a subscription for new shares, pursuant to a Share Subscription Agreement.

## II. PARTIES

### Acquirer:

2. Puma is incorporated under the laws of the Netherlands for the purpose of this proposed transaction. It does not have any existing business operations within or outside of Pakistan, and for this reason there is no reportable turnover or assets.
3. Puma is a wholly owned subsidiary of Puma Energy Holdings Pte. Limited ("Puma Energy"), which was founded in 1997 and is headquartered in Singapore. Puma Energy is a vertically integrated midstream and downstream oil company active in Latin America, Europe, the Middle East and Asia Pacific, and has regional offices in South Africa, Switzerland, Estonia, Puerto Rico and Australia. For the purpose of this transaction, Puma Energy is to be considered as the ultimate acquirer as provided under Regulation 6 of Competition (Merger Control) Regulations, 2016.
4. Puma Energy achieved worldwide net sales of US\$ (approximately PKR ) in the financial year ended 31<sup>st</sup> December 2016, while its assets stood at US\$ (approximately PKR ) for the same period.

### Target:

5. Admore is a private limited company incorporated under the laws of Pakistan. It was founded in 2001 and is headquartered in Karachi, Pakistan.
6. It is an oil marketing company that retails refined petroleum products and lubricants to commercial, industrial, and individual clients in Pakistan.
7. Admore achieved a turnover of PKR in the financial year ended 30<sup>th</sup> June 2016, whereas its assets stood at PKR for the same period.



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### III. THE RELEVANT MARKET

8. As the Target is an oil marketing company and markets Motor Gasoline (petrol) and Gasoil (diesel), the relevant product market in this case has been identified as that of the "marketing of Motor Gasoline and Gasoil" which belongs to the downstream segment of the oil and gas sector. Since Admore markets these petroleum products across the country, where the conditions of competition are sufficiently homogenous, the relevant geographic market has been identified as Pakistan.

### IV. TRANSACTION

9. As per the Application, Puma intends to acquire \_\_\_\_\_ shares in Admore, out of which \_\_\_\_\_ shareholding is being sold to Puma by Mr. Amir Chishti, whereas the rest are being acquired through subscription of shares. The considerations for this purchase are as follows:

- PKR \_\_\_\_\_ - for \_\_\_\_\_ being acquired from Mr. Amir Chishti:
- PKR \_\_\_\_\_ / for the shares being acquired by way of subscription.

10. The total consideration for \_\_\_\_\_ shares, therefore, is PKR \_\_\_\_\_.
11. The transaction meets the notification thresholds as prescribed in Regulation 4(2)(a), (b), (c) & (d) of the Merger Regulations, with the combined assets of the merging parties being more than PKR 1 Billion and combined turnover being more than PKR 1 Billion. The transaction value is above PKR 100 million and the percentage of shares to be acquired exceed 10% of the total shareholding in the Target.

### V. FINDINGS OF THE PHASE I - COMPETITION ASSESSMENT

12. This is an acquisition of \_\_\_\_\_% shares in Admore by Puma, out of which \_\_\_\_\_ shareholding is being acquired from Mr. Amir Chishti, whereas the rest of the shares are being acquired by way of subscription of new shares by Admore.
13. Admore is an oil marketing company that retails refined petroleum products and lubricants to commercial, industrial, and individual clients in Pakistan, whereas Puma is incorporated under the laws of the Netherlands for the purpose of this transaction. It does not have any existing business operations within or outside of Pakistan. Its parent company, Puma Energy, is a vertically integrated midstream and downstream oil company active in Latin America, Europe, the Middle East and Asia Pacific.

14. The relevant product market in this case has been identified as that of the "marketing of Motor Gasoline and Gasoil", whereas the relevant geographic market is Pakistan.



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15. According to the data provided by the applicant, Admore's share, and the shares of three of its largest competitors, for the market for Motor Gasoline and Gasoil, based on revenues, are as follows<sup>3</sup>:

| Company            | Motor Gasoline | Gasoil |
|--------------------|----------------|--------|
| Admore             |                |        |
| Pakistan State Oil |                |        |
| Shell Pakistan     |                |        |
| Total Parco        |                |        |

16. As per the information submitted in the application, Admore's shares of the market for Motor Gasoline and Gasoil are \_\_\_% and \_\_\_%, respectively. The market shares of the Target will remain unchanged, post-transaction.
17. In view of the above, the intended merger does not meet the presumption of dominance as defined under Section 2 (1) (e) of the Competition Act, 2010 ("the Act"), read with Section 3 and 11 (5) of the Act.

#### VI. CONCLUSION

18. In conclusion, there is no evidence to suggest a substantial lessening of competition by creating or strengthening a dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.

*Vadiyya S. Khalil*

(Vadiyya S. Khalil)  
Chairperson

*Ikram Ul Haque Qureshi*

(Ikram Ul Haque Qureshi)  
Member



Islamabad the October 3, 2017

<sup>3</sup> Based on sales. Data supplied by Applicant.