



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF JOINT VENTURE BETWEEN M/S. TATA STEEL LIMITED  
AND M/S. THYSSENKRUPP AG

CASE: 1020/Merger-CCP/19

Commission

Ms. Vadiyya S. Khalil  
*Chairperson*

Dr. Shahzad Ansar  
*Member*



## ORDER

1. On 1<sup>st</sup> February 2019 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed Joint Venture 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. Tata Steel Limited ("**JV Party 1**" or "**Applicant**") and M/s. Thyssenkrupp AG ("**JV Party 2**") collectively ("**the Applicants**"), intend to jointly establish a long-expected steel venture, by entering into a Contribution Agreement. All the requisite information/documentation pertaining to the application was completed by the applicant on 7<sup>th</sup> March 2019.
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 JV Party 1: Manufactures and distributes steel products in India and internationally
    - b. For JV Party 2: Multinational conglomerate with focus on industrial engineering and steel production.
  - ii. The proposed transaction is a 50:50 Joint Venture between the parties. The transaction falls in the relevant product market of "**Flat Carbon Steel Industry**" having a geographic market identified as of "**Pakistan**".
  - iii. As per the information submitted, the total estimated market size of flat carbon steel market in Pakistan for 2017 was \_\_\_\_\_ metric tonnes. The parties for the year 2017-18 had combined sales of \_\_\_\_\_ metric tonnes for flat steel carbon steel which is equivalent to less than \_\_\_\_\_ of the overall market. The size of both parties' sales in Pakistani jurisdiction are very limited and vary from year to year as the products are imported by various businesses, however it is not anticipated to increase materially in the foreseeable future.
  - 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

(Vadiyya S. Khalil)  
Chairperson

Islamabad the 19<sup>th</sup> MARCH, 2019.

(Dr. Shahzad Ansar)

Member

