



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

IN THE MATTER OF

FIRST PHASE REVIEW

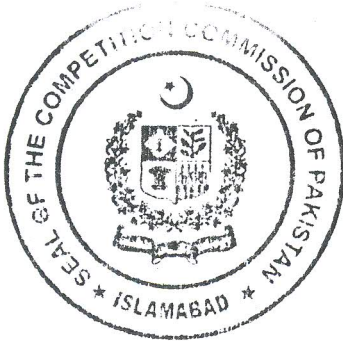
**ACQUISITION OF % SHARES OF IGI INSURANCE
LIMITED BY SYED BABAR ALI**

CASE: 761/Merger-CCP/15

Commission

Ms. Vadiyya Khalil
Chairperson

Mr. Mueen Batlay
Member



Mr. Ikram Ul Haque Qureshi
Member

ORDER

I Background

- 1 On 13th October 2015, the Acquirer, Syed Babar Ali (SBA) submitted a pre-merger application (the "application") to the Commission, notifying the acquisition of % shares of IGI Insurance Limited (The Target) by SBA, increasing his stakes from % along with the necessary information as well as a cheque of Rs as processing fee, applicable under Regulation 5(6) of the Competition (Merger Control) Regulations, 2007 (the "Regulations"). The case is examined as under:

II Merger Parties

2 Acquirer

Syed Babar Ali (SBA) is the founder of the Packages group and holds directorships on number of companies including IGI Insurance Limited, IGI Investment Bank Limited, Sanofi Aventis Pakistan Limited, Nestle Pakistan, Coco Cola Beverages Pakistan, Tetra Pak Pakistan Limited and a number of educational institutes.

- 3 SBA has total assets valuing PKR on 13th October 2015. He is not on the directorship of any other General Insurance Company.

4 Target

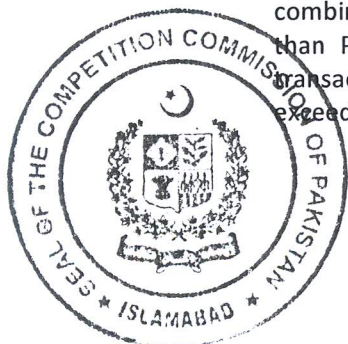
IGI Insurance Limited is a Packages Group Company that was incorporated as a Public Limited Company. It is engaged in providing general insurance services in spheres of Fire, Marine, Motor health and Miscellaneous. IGI Insurance holds 4% market share in the General Insurance business.

IGI Insurance Limited had total assets valuing PKR. Its turnover remained at PKR on 31st December 2014.

III Transaction

- 5 The proposed transaction involves acquisition of % shares of the target at a price of Rs by SBA, increasing his stakes in the target from % to %. The proposed transaction is estimated at PKR. The transaction is aimed at earning dividends and capital gains.

- 6 The transaction meets the notification thresholds prescribed in Regulation 4(2)(a)(b)(c)& (d) by having acquirer's assets valuing more than PKR 300 Million and combined assets being more than 1 Billion rupees and turnover of acquirer more than PKR 500 million and combined turnover being more than 1 Billion. The transaction value also exceeds 100 million and percentage of share to be acquired exceeds 10% of the total shareholding of the target.



IV Relevant Market:

- 7 The relevant market in this case is the General Insurance market that encompasses all insurance product except life insurance e.g. fire, marine, corporate vehicle, motor, health and miscellaneous.
- 8 The Relevant Geographic market is Pakistan.
- 9 Market position in the relevant market is as under:

Company Name	Market Share(%)
EFU General Insurance	
Jubilee General Insurance	
Adamjee Insurance Company Limited	
IGI Insurance Limited	
Others (25 companies)	

V Findings of the Phase I investigation on the competition assessment

- 10 The competition assessment in Phase I have resulted in the following finding:

The proposed transaction involves acquisition of % shares of IGI Insurance Limited by the Acquirer increasing his stakes from % to %. However, as the acquirer is an individual and does not hold directorship on any other General Insurance company the acquisition would not result in creating competition issues in the relevant market. This acquisition is aimed at earning dividends and capital gains. The merger does not meet the presumption of dominance as determined under Section 3 of the Act.

VI Conclusion

- 11 In conclusion, there is no evidence that suggests a substantial lessening of competition by creating or strengthening of dominant position in the relevant market. The proposed transaction is hereby authorized under Section 31(1) (d) (i) of the Act.
- 12 It is so ordered.


(Mueen Batlay)
Member


(Ikram Ul Haque Qureshi)
Member


(Vadiyya Khalil)
Chairperson

Islamabad, 27th October, 2015