



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

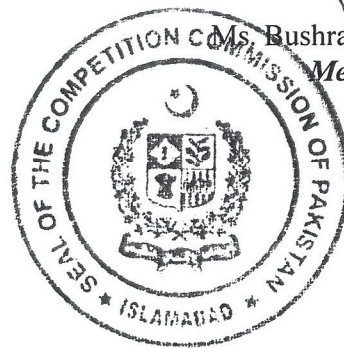
IN THE MATTER OF ACQUISITION OF % SHARES OF M/S. TECHCOMP
SCIENTIFIC LIMITED BY M/S. HITACHI HIGH-TECH CORPORATION

CASE: 1110/Merger-CCP/20

Commission

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Mr. Mujtaba Ahmad Lodhi
Member



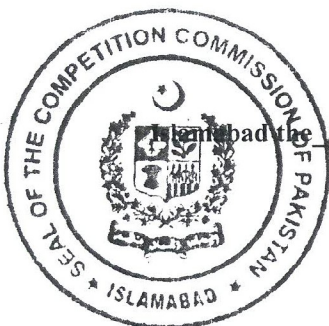
Ms. Bushra Naz Malik
Member

ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") sent by M/s. Hitachi High-Tech Corporation ("**HHT**" or "**Acquirer**") notifying the Commission of its acquisition of ()% shareholding in M/s. Techcomp Scientific Limited ("**TSL**" or "**Target**") from Mr. Lo ("**Seller**"), pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**"). All the requisite information/documentation pertaining to the application was completed by the applicant on 27th August, 2020.
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 transaction has resulted in the following findings:
 - i. The business activities of the undertakings concerned are:
 - a. For the Acquirer: Designing, manufacturing and sales of semi-conductor equipment, medical and analysis systems.
 - b. For the Target: Sale of, and provision of services related to, exclusively the Acquirers products in Pakistan.
 - c. For the Seller: Resident of Hong Kong holding national identity number
 - ii. The proposed transaction meets the pre-merger notification thresholds as prescribed in regulation 4 (2) of the Merger Regulations, and involves the vertical integration of the Acquirer and Target by way of acquisition of () % of the issued share capital of the Target by the Acquirer. The consideration for this acquisition is estimated to be USD 1 +/- closing adjustments (*approx. PKR* . as on August 24, 2020) subject to the change in net assets pursuant to share purchase agreement, which is deemed to be the transaction value. Currently HHT holds () % of the total shares of TSL. Post-transaction, HHT will own ()% of the shares in TSL.
 - iii. The relevant product markets in this case have been identified as that of **High Performance Liquid Chromatography ("HPLC")** and **Spectrophotometry**, while the relevant geographic market is Pakistan. As per data supplied by the Applicant, in Pakistan, the estimated market share is approximately () % in HPLC, and () % in Spectrophotometer. Post-transaction, these market shares in the relevant product markets will remain unchanged.
3. Ancillary restrictions have been reported with this transaction, which may require exemption under Section 5 of the Act, read with Regulation 4 of the Competition Commission (Exemption) Regulations, 2020.
4. In conclusion, this transaction does not meet the presumption of dominance as defined under Section 2 (1) (e) of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
5. It is so ordered.

(Mr. Mujtaba Ahmad Lodhi)
Member

(Ms. Bushra Naz Malik)
Member



Islamabad the 15th Sept, 2020.