



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF 55% OF THE ISSUED AND
OUTSTANDING COMMON SHARES IN M/S. LCY CHEMICAL CORP. BY M/S.
CARLTON (LUXEMBOURG) HOLDINGS S.A.R.L.

CASE: 989/Merger-CCP/18

Commission

Ms. Vadiyya Khalil

Chairperson



Dr. Shahzad Ansar

Member

ORDER

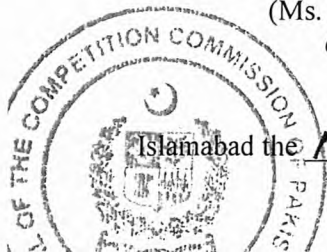
1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") sent by M/s. Carlton (Luxembourg) Holdings S.a.r.l. ("**Carlton**" or "**Acquirer**") notifying the Commission of its acquisition of 100% of the issued and outstanding common shares in M/s. LCY Chemical Corp. ("**LCY**" or "**Target**") through an acquirer subsidiary yet to be formed ("**Acquirer Subsidiary**"), pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
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 concerned parties are:
 - a. For the Acquirer: Special Purpose Vehicle newly incorporated for this transaction.
 - b. For the Target: Import and marketing of polypropylene polymers, isopropanol, methanol and styrenic block copolymer.
 - ii. As per the Application, Carlton intends to acquire 100% of the issued and outstanding common shares in LCY through the Acquirer Subsidiary. The consideration for this purchase is US\$ 1 billion (approximately 100 billion), which is the transaction value in this case.
 - iii. The relevant product market in this case has been identified as that of Polypropylene, Isopropanol, Methanol (PENTA), Methanol (PARA) and Styrenic Block Co Polymer, while the relevant geographic market is Pakistan. The Target's market shares are as follows: Polypropylene 1%, Isopropanol 1%, Methanol (PENTA) 1%, Methanol (PARA) 1%, Styrenic Block Co Polymer 1%. These will remain the same, post-transaction, as the Acquirer is not active in the relevant product market.
 - iv. The transaction is not likely to result in the creation or strengthening of dominant position in the relevant market. The intended acquisition does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act.
3. In conclusion, the proposed transaction is unlikely 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.



(Ms. Vadiyya Khalil)
Chairperson



(Dr. Shahzad Ansar)
Member



Islamabad the 16th November 2018