



**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

FIRST PHASE REVIEW

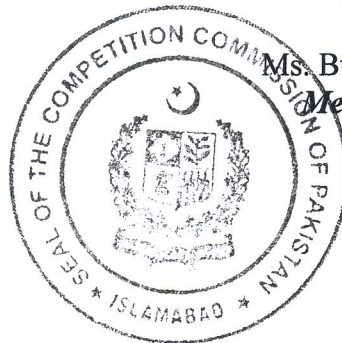
**IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN
M/S. NEWCO BY M/S. IVY 2 INVESTMENTS VCC.**

CASE: 1136/Merger-CCP/20

Commission

ML.

Mr. Mujtaba Ahmad Lodhi
Member



Ms. Bushra Naz
Member

ORDER

1. On December 24, 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") whereby M/s. Ivy 2 Investments VCC ("**Applicant**" or "**Acquirer**") intends to acquire approximately % shareholding in M/s. NewCo ("**Target Company**"), which will result in an indirect change of control of M/s. Pacific International Lines (Private) Limited ("**Ultimate Target's Parent Company**") and M/s. Pacific Delta Shipping (Private) Limited ("**Ultimate Target Company**"), pursuant to the Share Subscription Agreement. All the requisite information/documentation pertaining to the application was completed by the applicant on February 08, 2021.
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: To act as a collective investment scheme in the form of a body corporate.
 - b. For the Ultimate Target's Parent Company: An international carrier.
 - c. For the Ultimate Target Company: Agent of shipping lines.
 - d. For the Target Company: A special purpose vehicle to be formed.
 - ii. The proposed transaction involves the Acquirers proposing to make an equity investment of up to USD /- (equivalent to PKR : as at January 12, 2021) by way of subscription of new convertible preference shares in the Target Company. Upon completion of the Transaction, the Acquirer shall hold approximately % of the voting rights in the Target Company. The Transaction will lead to indirect change of control of the Ultimate Target Company.
 - iii. The relevant product market identified in this case is that of "**Deep-sea container liner shipping services**" having a geographic market identified as of "**Pakistan**". Based on the data provided in the application, the Ultimate Target's Parent Company's estimated market shares in the cargo routes are Far East Asia to Pakistan: %, Pakistan to Far East Asia: % and Redsea Gulf Services: %.
 - iv. Furthermore, the market shares of the Ultimate Target Company being a ship agent cannot be determined due to non-availability of data and also it provides services to only customers of the Ultimate Target's Parent Company and is not providing shipping agency services to the general market.
 - v. Post-transaction, the market conditions will remain unchanged.
3. In conclusion, the intended transaction, does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.

(Mr. Mujtaba Ahmad Lodhi)
Member

(Ms. Bushra Naz)
Member

Islamabad the February 23, 2021.