



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF M/S A&AT LLC BY
M/S RUYI US ACQUISITION CORP.

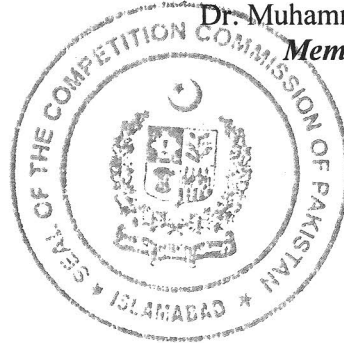
CASE: 926/Merger-CCP/17

Commission

Ms. Vadiyya S. Khalil
Chairperson

M. Jalil

Dr. Muhammad Saleem
Member



ORDER

1. On 29th November 2017 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**") through which M/s Ruyi US Acquisition Corp ("**Acquirer**" or "**Applicant**") intends to acquire share capital of M/s A&AT LLC ("**Target**") by way of share purchase.
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 the Acquirer: Newly incorporated investment holding
 - b. For the Target: Production and sales of fibers for such use in apparel and personal care products.
 - ii. The proposed transaction is an acquisition of share capital of the Target by the Acquirer. The relevant product markets in this case are defined as "**Spandex Fibers**" and "**Polyester Fibers**" while the geographic market is "**Pakistan**". However, the reportable market in this case, where overlaps exists is that of "**Spandex Fibers**" only.
 - iii. Both the Acquirer's holding company and the Target produce and sell Spandex Fibers, globally and in Pakistan while only the Target is involved in the sale of Polyester Fibers in Pakistan. Post-transaction, the combined market share of the merger parties in the Spandex Fibers segment will be, estimated at
 - 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)
Chairperson



(Dr. Muhammad Saleem)
Member

Islamabad the 6th March, 2018.

