



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

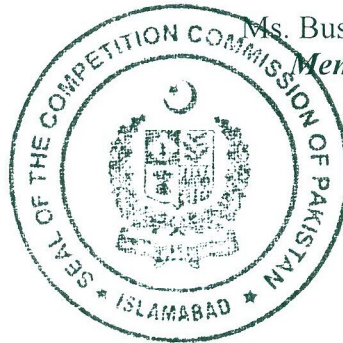
IN THE MATTER OF ACQUISITION OF % SHAREHOLDING IN
M/S. AL-DAHRA GROUP SOLE PROPRIETORSHIP LLC BY M/S. GRAINVETA
LIMITED FROM M/S. BAYNUNAH AGRICULTURE LLC

CASE: 1144/Merger-CCP/21

Commission

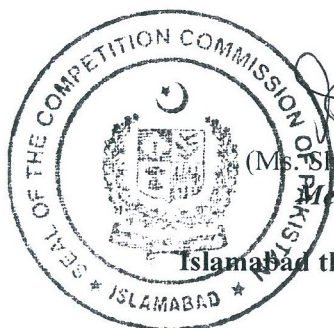
Ms. Shaista Bano
Member

Ms. Bushra Naz
Member



ORDER

1. On June 01, 2021 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. Abu Dhabi Development Holding Company PJSC ("**ADQ**" or "**Ultimate Acquirer**") via its subsidiary M/s. Grainveta Limited ("**Applicant**" or "**Acquirer**") intends to acquire approximately 75% shareholding in M/s. Al Dahra Group Sole Proprietorship LLC ("**Target**") from M/s. Baynunah Agriculture LLC ("**Seller**"), pursuant to the Share Purchase Agreement (SPA).
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made 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: Special Purpose Vehicle for investment.
 - b. For the Ultimate Acquirer: Mandated to owning, overseeing and operating development-related state-owned enterprises in various sectors such as transportation, healthcare, utilities, media, and others.
 - c. For the Target: Multinational firm specializing in the cultivation, production and trading of animal feed, essential food commodities and end-to-end supply chain management.
 - d. For the Seller: Holding company.
 - ii. Pursuant to the SPA, Acquirer shall acquire 75% of the total issued share capital of the Target. Following the transaction, Ultimate Acquirer and the Seller will exercise joint control over the Target. The total transaction value is AED 1.5 billion (equivalent to PKR 150 billion as at June 10, 2021).
 - iii. The relevant product market identified in this case is that of "**Rice**" having a geographic market identified as of "**Pakistan**". Based on the data provided in the application, the Target has roughly sourced 100% of rice exports during 2018-19 and local sales are estimated to have an approximate 100% share during 2018-19.
 - iv. Post-transaction, although the market shares will remain unchanged, the Ultimate Acquirer will gain presence in the Rice industry of Pakistan.
3. Ancillary restrictions of Non-Compete and Non-Solicitation clauses 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, 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.
5. It is so ordered.



(Ms. Shaista Bano)
Member

Islamabad the 18th JUNE, 2021.

(Ms. Bushra Naz)
Member