



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

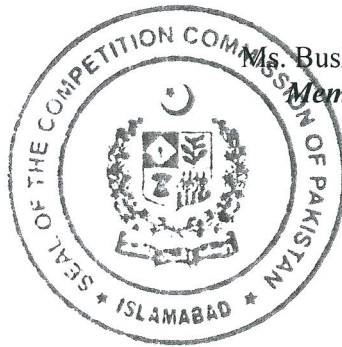
FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF ADDITIONAL % SHAREHOLDING  
OF M/S. TRI-PACK FILMS LIMITED BY M/S. PACKAGES LIMITED FROM M/S.  
MITSUBISHI CORPORATION.

CASE: 1155/Merger-CCP/21

Commission

Ms. Shaista Bano  
*Member*



Ms. Bushra Naz  
*Member*

## ORDER

1. On 8<sup>th</sup> July 2021, the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of an acquisition of shares 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. Packages Limited ("**PL**" or "**Acquirer**") has acquired additional % shareholding in M/s. Tri-Pack Films Limited ("**TFL**" or "**Target**") from M/s. Mitsubishi Corporation ("**MC**" or "**Seller**") in accordance with Share Purchase Agreement ("**Agreement**").
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 an independent research/investigation in the relevant markets. 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 Acquirer: Investment holding company.
    - b. For Target: Manufacturing and sale of Biaxially Oriented Polypropylene (BOPP) and Cast Polypropylene (CPP) films.
    - c. For Seller: Industrial material, Oil and gas, Minerals, Finance, Machinery and Chemicals
  - ii. Pursuant to the Agreement, the transaction is the sale of 7,000,000 shares ( % shareholding) having face value of PKR 100/- each, of the Target by the Sellers to the Acquirer. The amount to be paid for this transaction is PKR 700,000,000.
  - iii. The relevant product market in this case have been identified as "**Biaxially Oriented Polypropylene ("BOPP" or "Product-I") and Cast Polypropylene ("CPP" or "Product-II")**" whereas the relevant geographic market is whole of "**Pakistan**".
  - iv. As per the data submitted by the applicant, the pre-merger market share of the Target in Pakistan for Product-I is estimated to be 44% whereas, for the Product-II it is estimated to be 10%.
  - v. Currently, the Acquirer holds 33.33% shareholding in the Target. However, post-transaction shareholding of the Acquirer will increase from 33.33% to 66.66% that will eventually make the Target a subsidiary of the Acquirer.
  - vi. The facts, *prima facie* raises some unilateral and coordinated effects/concerns which needs to be examined further. Moreover, the transaction is likely to result in the creation or strengthening of dominant position in the relevant market at least to the extent of Product-I, as it meets the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act.
3. In conclusion, the Commission finds that, it has doubts regarding the compatibility of the merger with Chapter II, thereby opening a second phase review. Accordingly, a Phase II review is hereby initiated under Section 11 (6) of the Act.

4. It is so ordered.

(Ms. Shaista Bano)  
*Member*

(Ms. Bushra Naz)  
*Member*

Islamabad the August 23, 2021.

