BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF [illegible]% SHAREHOLDING IN M/S. METRO WIND POWER LIMITED BY M/S. CDC PAKISTAN POWER PROJECTS LIMITED

CASE: 1094/Merger-CCP/20

Commission

Ms. Shaista Bano Gilani
Acting Chairperson

Ms. Bushra Naz Malik
Member

SEAL OF THE COMPETITION COMMISSION OF PAKISTAN ★ ISLAMABAD ★

ORDER

1. On 23rd April 2020 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") from M/s. CDC Pakistan Power Projects Limited ("**Applicant**" or "**Acquirer**") 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**") where it intends to acquire % shareholding in M/s. Metro Wind Power Limited ("**Target**").

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: an investment company, whose principal activity is investing in emerging markets specifically, Pakistan.
      b. For the Target: In the development phase of business as a renewable energy (wind) independent power producer.

   ii. The proposed transaction involves the Acquirer proposing to buy % shareholding in the Target. The total consideration for the transaction is estimated to be equivalent to upto PKR /-.

   iii. The Target belongs to the relevant product market of "**Renewable Energy - Wind Power Generation**" having a geographic market identified as of "**Pakistan**", excluding areas served by K-Electric. Although the Target is yet to start its operations in Pakistan, but based on its generation capacity and the data available, it can be assumed that it can achieve a market share of approximately %in Wind power Generation.

   iv. Post-transaction, the market share of the Target will remain the same, however, the Acquirer will have an increased presence in the relevant market as it holds a % stake in M/s. Zephyr Power (Private) Limited ("**ZPPL**"), a company incorporated in Pakistan which is constructing a megawatt (MW) wind farm in Gharo, near Karachi. The combined market share of the Target and ZPPL can be estimated at %.

   v. 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. The applicant is also hereby instructed to submit a copy of the agreement to be signed between the undertakings within 30 days of this Order.

5. It is so ordered.

(Ms. Shaista Bano Gilani)
Act. Chairperson

(Ms. Bushra Naz Malik)
Member

Islamabad the MAY 08 **, 2020.**

SEAL OF THE COMPETITION COMMISSION OF PAKISTAN ★ ISLAMABAD ★