



**BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN**

**FIRST PHASE REVIEW**

**IN THE MATTER OF ACQUISITION OF 1 % EQUITY SHARES OF M/S.  
CLARIANT PLASTICS & COATINGS BY M/S. POLYONE CORPORATION FROM  
M/S. CLARIANT AG**

**CASE: 1077/Merger-CCP/20**

Commission

Ms. Vadiyya S. Khalil  
*Chairperson*

Dr. Shahzad Ansar  
*Member*



## ORDER

1. On 21<sup>st</sup> January 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**") from M/s. PolyOne Corporation ("**Acquirer**" or "**Applicant**") for the intended acquisition of ...% shareholding in M/s. Clariant Plastics & Coatings ("**Target**") a subsidiary of M/s. Clariant AG ("**Seller**"). All the requisite information/documentation pertaining to the application was completed by the applicant on 17<sup>th</sup> February 2020.
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: Specializes in polymer materials and services.
    - b. For the Target: Production and sale of master batches worldwide.
    - c. For the Seller: Production and worldwide distribution of specialty chemicals.
  - ii. The proposed transaction involves the Acquirer proposing to buy ...% of the fully paid shares of the Target from the Seller. The transaction consideration is US\$ 1 [redacted] (Approx. PKR 2 [redacted] as of March 3, 2020).
  - iii. The Target belongs to the relevant product market of "**Production and sales of Master batches**" having a geographic market identified as of "**Pakistan**". Based on the data supplied by the Applicant, the Target has a market share of ...% in Pakistan while the Acquirer has (...)%.
  - iv. Post-transaction, the market share of the combined entity will be estimated at: ...% in the relevant market.
  - 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. It is so ordered.

Vadiyya S. Khalil

(Vadiyya S. Khalil)  
Chairperson

(Dr. Shahzad Ansar)  
Member



Islamabad the MARCH 20, 2020.