



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

ACQUISITION OF % SHAREHOLDING OF M/S. ANHUI JIANGHUAI
HORTICULTURE SEEDS CO. LIMITED BY M/S. CHINA NATIONAL SEED GROUP
CO. LIMITED FROM VARIOUS SELLERS

CASE: 1249/Merger-CCP/2022

Commission

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Mr. Mujtaba Ahmad Lodhi
Member



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Shaista Bano
Member

ORDER

1. On 14th January, 2022 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. China National Seed Group Co., Limited ("**CNS**" or "**Acquirer**") whereby, the Acquirer is acquiring []% shareholding of M/s. Anhui Jianghuai Horticulture Seeds Co., Limited ("**AJH**" or "**Target**") from 30 different Sellers in accordance with Share Purchase Agreement ("**Agreement**"). All requisite information/documentation pertaining to the application was completed on 24th January, 2022.
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 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: crop seed management (rice, wheat, corn, vegetables and oil), breeding and developing improved crop varieties, import and export of various seeds.
 - b. For the Target: sale and development of seeds.
 - ii. Sellers: total [] Sellers ([] legal entities and [] individuals).
 - iii. As per the Agreement, the Acquirer intends to acquire [] shares constituting []% shareholding of the Target. The transaction will be taking place abroad (China) and total amount to be paid as a consideration for []% shareholding is CNY [] (Approx. PKR [])¹. Furthermore, it is pertinent to mention that the Acquirer subsequent to this transaction will gain majority control of the Target.
 - iv. The reportable product markets in this case have been identified as "**Sale and Development of Seeds - Hot pepper, Watermelon, Melon and Zucchini/Squash**" and the relevant geographic market is "**Pakistan**".
 - v. Market share:
 - a. For the Acquirer: Hot pepper ([]%), Watermelon ([]%), Melon ([]%) and Squash ([]%).
 - b. For the Target: Hot pepper ([]%), Watermelon ([]%), Melon ([]%) and Squash ([]%).
 - c. Combined: Hot pepper ([]%), Watermelon ([]%), Melon ([]%) and Zucchini/Squash ([]%).

There are overlaps between the Merger Parties. Post-transaction, combined market share of the Merger Parties for the reportable market will increase, however, market share for the pumpkin and cowpeas will remain unchanged.



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3. Ancillary restrictions 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 proposed 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.



(Mr. Mujtaba Ahmad Lodhi)
Member



(Ms. Shaista Bano)
Member



Islamabad the February 07, 2022.