



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

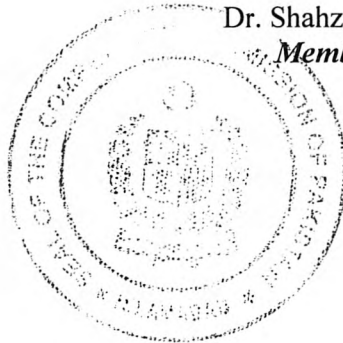
IN THE MATTER OF JOINT VENTURE BETWEEN M/S. MATCO FOODS  
LIMITED AND M/S. BARENTZ INTERNATIONAL B.V.

CASE: 1023/Merger-CCP/19

Commission

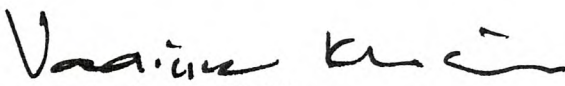
Ms. Vadiyya S. Khalil  
*Chairperson*

Dr. Shahzad Ansar  
*Member*



## ORDER

1. On 22<sup>nd</sup> February 2019 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed joint venture pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") through which M/s. Matco Foods Limited ("**JV Party 1**" or "**Applicant**") and M/s. Barentz International B.V. ("**JV Party 2**") intend to jointly incorporate and operate a Project Company, by entering into a Shareholders Agreement "**SHA**".
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 acquisition has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For JV Party 1: Basmati rice processor and exporter in Pakistan.
    - b. For JV Party 2: From Netherlands, a provider of ingredients for the pharmaceutical, personal & home care, food & nutrition, and animal nutrition industries.
  - ii. The proposed transaction is a joint venture whereby JV Party 1 and JV Party 2 intend to form a         -Joint Venture. Currently, only JV Party 1 is engaged in the relevant product market of "**Rice**" having a geographic market identified as of "**Pakistan**". Presently, no overlaps exist between the merger parties in Pakistan.
  - iii. With regards to the market for "**Rice**" in Pakistan, JV Party 1 has          market share. Post-transaction, JV Party 2 will gain presence through the Project Company and is expected to have approximately combined          percent market share in "**Food Ingredients**", "**Animal Ingredients**", "**Active pharmaceutical ingredients**" and "**Home & Personal Care Ingredients**" markets of Pakistan. Post-transaction the market position in the "**Rice**" sector is unlikely to change.
  - iv. 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)  
Chairperson

Islamabad the 19<sup>th</sup> MARCH, 2019.



(Dr. Shahzad Ansari)  
Member

