



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF RECONSTRUCTION OF M/S. RECKITT BENCKISER  
PAKISTAN LIMITED BY SEPARATING ITS HYGIENE HOME UNDERTAKING  
INCLUSIVE OF THE HYGIENE HOME BUSINESS AND VESTING IN M/S. RB  
HYGIENE HOME PAKISTAN LIMITED AND REDUCTION OF ITS SHARE  
CAPITAL

CASE: 1045/Merger-CCP/19

Commission

Ms. Vadiyya S. Khalil  
Chairperson

Muhammad Saleem  
Member



## ORDER

1. On 4<sup>th</sup> July 2019 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed restructuring 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. Reckitt Benckiser Pakistan Limited ("**Transferor**" or "**Applicant**") intends to transfer its Hygiene Home Undertaking inclusive of the Hygiene Home Business and certain assets, rights, liabilities and obligations pertaining to the Hygiene Home Business and vesting the Hygiene Home Undertaking in M/s. RB Hygiene Home Pakistan Limited ("**Transferee**"). All the requisite information/documents pertaining to the application was completed by the applicant on 16<sup>th</sup> July 2019.
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 restructuring has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Transferor: Engaged in manufacturing and marketing of consumer household and pharmaceutical products.
    - b. For Transferee: Established for the purposes of this reconstruction.
  - ii. The proposed transaction is reconstruction of the Transferor by (i) separating its Hygiene Home Undertaking inclusive of the Hygiene Home Business and certain assets, rights, liabilities and obligations pertaining to the Hygiene Home Business and vesting the Hygiene Home Undertaking in the Transferee against the issue of shares by the Transferee to shareholders of the Transferor and (ii) the consequent reduction in the issued and paid up share capital of the Transferor.
  - iii. Currently the Transferor is active and is engaged in the relevant product market of "**Hygiene Home Products**" having a geographic market identified as of "**Pakistan**". The market share of the Transferor is approximately \_\_\_\_\_ by sales value. Post-transaction, the market share of the Transferor will be transferred to the Transferee.
  - 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 restructuring 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*

*M. Saleem*

(Dr. Muhammad Saleem)  
*Member*

Islamabad the 31<sup>st</sup> July, 2019.

