



BEFORE THE  
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF MERGER OF M/S. JK SUGAR MILLS (PRIVATE) LIMITED  
AND M/S. AKT SUGAR MILLS (PRIVATE) LIMITED

CASE: 1047/Merger-CCP/19

Commission

Ms. Vadiyya S. Khalil  
Chairperson

Dr. Muhammad Saleem  
Member



## ORDER

1. On 16<sup>th</sup> July 2019 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed merger 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. JK Sugar Mills (Private) Limited ("**Merger Party 1**") intends to merge with M/s. AKT Sugar Mills (Private) Limited ("**Merger Party 2**"). All the requisite information/documents pertaining to the application was completed by the applicant on 25<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 merger has resulted in the following findings:
  - i. The business activities of the undertakings concerned are:
    - a. For the Merger Party 1: Manufacturing and sale of crystalline sugar and allied products in Punjab.
    - b. For the Merger Party 1: Manufacturing and sale of crystalline sugar and by-products in Sindh.
  - ii. In the proposed transaction, the parties intend to merger through the transfer to and vesting in Merger Party 1 of the Merger Party 2 undertaking. Currently, the parties are engaged in the relevant product market of "**Manufacture & Sale of Sugar and by-products**" while Merger Party 1 has a geographic market identified as of "**Punjab**", whereas Merger Party 2 belongs to the geographic market of "**Sindh**".
  - iii. At present, Merger Party 2 has a market share of \_\_\_\_\_ in Sindh and \_\_\_\_\_ if taking account of total production in the country, while Merger Party 1 has share in Punjab and \_\_\_\_\_ on a national level. Post-transaction, Merger Party 1 will gain presence in the Sindh market with having the market share of Merger Party 2, while its overall market share in the country will increase to \_\_\_\_\_.
  - 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*

(Vadiyya S. Khalil)  
Chairperson

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



*M. Jaleel*

(Dr. Muhammad Saleem)  
Member