



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

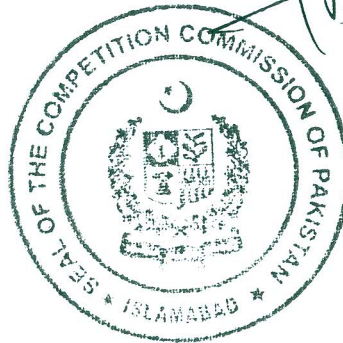
IN THE MATTER OF JOINT VENTURE BETWEEN M/S. ATLAS HITEC, M/S. ATLAS
AUTOS. & M/S. CHONGQING GONGCHENG INVESTMENT CO. LIMITED.

CASE: 1063/Merger-CCP/19

Commission

Ms. Vadiyya S. Khalil
Chairperson

Dr. Shanzad Ansar
Member



ORDER

1. The Competition Commission of Pakistan ("**Commission**") is in receipt of a pre-merger application ("**Application**") sent by M/s. Atlas Hitec (Private) Limited ("**AHTL**" or "**JV Partner 1**"), notifying the Commission of the Joint Venture between AHTL, M/s. Atlas Autos (Private) Limited ("**AAPL**" or "**JV Partner 2**") & M/s. Chongqing Gongcheng Investment Co. Limited ("**GCI**" or "**JV Partner 3**") collectively creating M/s. Atlas GCI (Private) Limited ("**Atlas GCI**" or "**JV Co**"), pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**").
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 JV Partner 1: Manufacture and sale of various type of electric components and magnetos for two wheelers.
 - b. For JV Partner 2: Manufacture and trade of motorcycle components for OEMs as well as the replacement market.
 - c. For JV Partner 3: Advanced automotive technology systems and components for auto manufacturers.
 - d. For JV Co: Manufacture and sale of Circuit Assemblies for electric components.
 - ii. As per the Application, AHTL, AAPL and GCI will collectively form Atlas GCI. The planned paid-up capital is PKR _____, which is the transaction value in this case.
 - iii. The relevant product market is the business of manufacturing "Circuit Assemblies for electric components for two-wheeler vehicles", while the relevant geographic market is Pakistan. Atlas GCI has yet to commence operations, so its share of the relevant market is currently nil.
 - iv. The transaction is not likely to result in the creation or strengthening of a dominant position in the relevant market. The intended transaction does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Competition Act 2010 ("**Act**").
 - v. The Applicants have notified the Commission of Ancillary Restrictions in their Joint Venture Agreement. They are hereby directed to file an application for Exemption with the concerned department of the Commission
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.

Vadiya S. Khalil

(Vadiya S. Khalil)

Chairperson

Dr. Shanzad Ansari

(Dr. Shanzad Ansari)

Member



20th December, 2019.