

**BEFORE THE
COMPETITION COMMISSION OF PAKISTAN**

IN THE MATTER OF

FIRST PHASE REVIEW

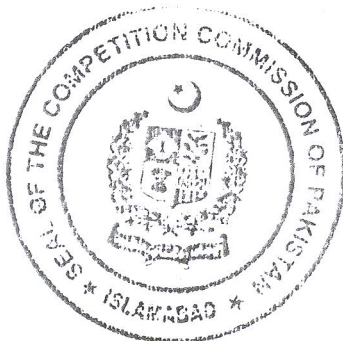
**ACQUISITION OF 70% SHARES OF DAEWOO PAKISTAN EXPRESS
BUS SERVICES LIMITED BY ELAHI ELECTRONICS**

CASE: 788/MERGER-CCP/16

Commission

Mr. Shahzad Ansar
Member

Mr. Ikram Ul Haque Qureshi
Member



ORDER

I Background

- 1 Elahi Electronics, through its authorized representative, submitted a pre-merger application (the "Application") dated 30 January 2016 (received on 1 February 2016), notifying and seeking the approval of the Competition Commission of Pakistan (the "Commission") for the acquisition of % shares of Daewoo Pakistan Express Bus Services Limited ("Daewoo. The Application was submitted along with the applicable processing fee and complete supporting documentation (received on 23 February 2016) in accordance with the provisions of the Competition Act, 2010 (the "Act") and the Competition (Merger Control) Regulations 2007 (the "Merger Regulations"). The Commission's review of the intended merger is as under:

II Merger Parties

Acquirer

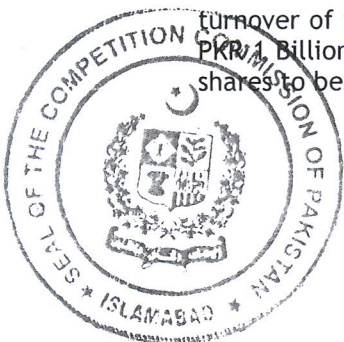
- 2 Elahi Electronics, a sole proprietorship, was established in 1974 and is run by Mr. Kamran Ilahi. The Acquirer is engaged in the trading (export and import) and supply of electronic products including generators, water filters, air conditioners, refrigerators and general merchandise. The value of the total turnover of the Acquirer for the financial year ending on 30 June 2015 was PKR [] and value of total assets remained at PKR [] for the same period.

Target

- 3 Daewoo is a public limited unlisted company incorporated under the laws of Pakistan in 1997. The Target owns and operates a fleet of vehicles for the transportation of passengers and cargo. The Target is a wholly owned subsidiary of Greentown Holdings Korea Inc ("Greentown"). The value of the total turnover of the Target for the year ending on 31 December 2014 was PKR [] and value of total assets remained at PKR [] for the same period.

III Transaction

- 4 The intended transaction involves the acquisition of % of the issued and paid up share capital of Daewoo by Elahi Electronics from Greentown for a cash consideration not exceeding PKR [].
- 5 The transaction meets the notification thresholds as prescribed in Regulation 4(2)(a), (b), (c) & (d) of the Merger Regulations, with the Acquirer's assets valuing more than PKR 300 Million and combined assets of the Acquirer and the Target being more than PKR 1 Billion. Further, the turnover of the Acquirer is more than PKR 500 Million and the combined turnover is more than PKR 1 Billion. The transaction value also exceeds PKR 100 Million and the percentage of voting shares to be acquired exceeds 10% of the total shareholding of the Target.



HA J

IV Relevant Market:

- 6 The relevant product market in this case is passenger and cargo transport/ public transportation in Pakistan.
- 7 The relevant geographic market is Pakistan
- 8 Due to the undocumented nature of the relevant market and the unavailability of data, the market shares of the undertakings operating therein including the Target are not known. However, as per the Target's internal approximation, the total size of the relevant market is estimated at PKR [] in terms of revenue, wherein the estimated market share of the Target is less than []%.

V Findings of the Phase I investigation on the competition assessment


- 9 The competition assessment in Phase-I has resulted in the following findings:
- The Acquirer is active in the market for trading and distribution of electronic products and other related commodities while the Target is active in the relevant market for passenger and cargo transport in Pakistan. Hence, both parties are engaged in commercial activities dissimilar to each other. Through the proposed transaction, Elahi Electronics is acquiring a minority stake in Daewoo for the purposes of returns on its investment only.
 - The market shares of merger parties, particularly the Target operating in the relevant market, will not be affected by the proposed transaction. The market shares of the merger parties will remain the same in their respective product markets.
 - Post-merger, there will be no impact on the relevant market or any other reportable markets. Furthermore, 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 (the "Act").

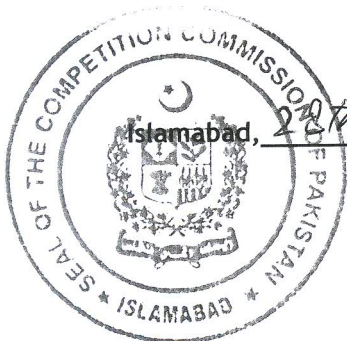
VI Conclusion

In conclusion, there is no evidence that the intended merger is likely to result in a substantial lessening of competition by the creation or strengthening of a dominant position in the relevant market. The intended merger is therefore authorized under Section 31(1)(d)(i) of the Act.

10 It is so ordered.


(Shahzad Ansar)
Member


(Ikram Ul Haque Qureshi)
Member



24th March, 2016.