



BEFORE THE
COMPETITION COMMISSION OF PAKISTAN

FIRST PHASE REVIEW

IN THE MATTER OF ACQUISITION OF SOLE CONTROL OF M/S. LSFX
FLAVUM TOPCO, S.L. AND OF M/S. LSFX FLAVUM MIDCO, S.L. BY
M/S. TIMBER SERVICIOS EMPRESARIALES S.A.

CASE: 1256/Merger-CCP/22

Commission

ML
Mr. Mujtaba Ahmad Lodhi
Member



Ms. Shaista Bano
Member

ORDER

1. On January 19, 2022 the Competition Commission of Pakistan ("**Commission**") received a pre-merger application ("**Application**") of a proposed acquisition pursuant to Section 11 of the Competition Act, 2010 ("**Act**") read with Regulation 6 of the Competition (Merger Control) Regulations, 2016 ("**Merger Regulations**") from M/s. Timber Servicios Empresariales S.A. ("**Acquirer**" or "**Applicant**") whereby it intends to acquire sole control of M/s. LSFX Flavum Topco, S.L. ("**Target 1**") and of M/s. LSFX Flavum Midco, S.L. ("**Target 2**") from M/s. LSF10 Flavum Holdings, S.à.r.l. ("**Seller**") and other **Individual Sellers**. All requisite information/documentation pertaining to the application was completed on February 21, 2022.
2. The Commission has examined the Application as well as all the documents attached therewith, the market scenario, and made its observations on the basis of an 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 the Acquirer: Special Purpose Vehicle incorporated by a global alternative asset manager.
 - b. For the Target 1: Manufactures and supplies ceramic tile intermediates.
 - c. For the Target 2: Manufactures and supplies ceramic tile intermediates.
 - d. For the Seller: Investment holding entity.
 - e. For Individual Sellers: Individuals
 - ii. The proposed transaction involves the Acquirer acquiring 100% of the share capital of the Target 1 from the Seller. Acquisition of 100% of Target 2's capital through Target 1, and with the direct acquisition of the remaining 100% from Individual Sellers. The transaction will be taking place abroad and the consideration value is € 9,999,999 (equivalent to PKR 1,000,000,000).
 - iii. The relevant product markets in this case are identified as "**Frits & Glazes**", "**Glaze Stains**", "**Digital Inks**" and "**Body Stains**" while the relevant geographic market is "**Pakistan**". Based on the data provided in the application, the Target 1's share in Frits & Glazes segment is 100%, in Glaze Stains segment it is 100%, in Digital Inks segment it is 100% while for Body Stains segment it is 100%. Post-transaction, the market shares will remain unchanged. The Target does not have any direct presence in Pakistan and the sales in Pakistan are mainly from exports by its associated companies.
3. In conclusion, the intended transaction, does not meet the presumption of dominance as determined under Section (2) (1) (e) read with Section 3 of the Act. The proposed transaction is hereby authorized under Section 31 (1) (d) (i) of the Act.
4. It is so ordered.



Mujtaba Ahmad Lodhi)
Member

Islamabad the February 22nd, 2022.

(Ms. Shaista Bano)
Member