

**IN THE MATTER OF THE PROPOSED
ACQUISITION BY AC LOGISTICS
HOLDINGS CORPORATION OF SHARES
IN AIR 21 HOLDINGS, INC.**

MAO Case No. M-2022-002

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COMMISSION DECISION NO. 04-M-002/2022

This is a review of the proposed acquisition by AC Logistics Holdings Corporation (“AC Logistics”) of shares in Air 21 Holdings, Inc. (“AHI”, and together with AC Logistics, the “Parties”) (the “Transaction”). The Parties voluntarily submitted the Transaction for the Commission’s review pursuant to Section 16 of the Philippine Competition Act, in relation to Section 7 of the Rules for the Implementation of Section 4 (eee) of Republic Act No. 11494, Otherwise Known as the “Bayanihan to Recover as One Act,” Relating to the Review of Mergers and Acquisitions and Section 3.2 of the PCC Rules on Merger Procedure.

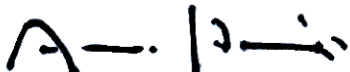
Upon review of the findings and recommendation of the Mergers and Acquisitions Office and the Parties’ submissions, the Commission finds that the acquisition by AC Logistics of shares in AHI will not likely result in substantial lessening of competition. This is because post-Transaction, the merged entity is unlikely to gain a dominant market position due to its insignificant market shares in the relevant markets. Sufficient competitive pressures or constraints remain from other market participants in (1) the nationwide markets for (a) domestic courier and messengerial services, (b) domestic air freight forwarding, (c) domestic sea freight forwarding, and (d) domestic road freight forwarding; (2) the nationwide or regional market for trucking services; and (3) the local markets for (a) general warehousing and storage services in Luzon, and (b) cold storage services in Metro Manila and Southern Luzon.

Furthermore, in (1) the nationwide market for domestic courier and messengerial services; (2) the global markets for (a) international air freight forwarding, and (b) international sea freight forwarding; and (3) the nationwide markets for (a) hazardous waste management, and (b) non-hazardous waste management, the Parties shall have neither increased ability nor incentive to engage in input foreclosure through exclusively supplying its own downstream customers or restrict its services to other downstream markets or players. Likewise, it is highly unlikely that the Transaction could effectively limit access of other players to a significant customer base in the same relevant markets.

ACCORDINGLY, the Commission resolves to take no further action with respect to the proposed Transaction between AC Logistics and AHI.

This Decision is rendered based solely on the disclosed facts and circumstances of the proposed Transaction, and documents submitted by AC Logistics and AHI.

31 May 2022.


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Chairman


JOHANNES BENJAMIN R. BERNABE
Commissioner


EMERSON B. AQUENDE
Commissioner


MARA VICTORIA S. QUEROL
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