



**ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ**

Decision CPC: 26/ 2019

Case Number: 8.13.019.08

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
No. 83(I)/2014**

**Notification of a concentration concerning the acquisition of the share capital
of Blue Circle Engineering Ltd by the group of companies Hellenic Petroleum
SA, via Hellenic Petroleum Cyprus Holding (HPCH) Ltd**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mr. Andreas Karidis,	Member
Mr. Panayiotis Oustas	Member
Mr. Aristos Aristidou Palouzas	Member
Mr. Polinikis-Panagiotis Charalambides,	Member

Date of decision: 22 April 2019

SUMMARY OF THE DECISION

On 11/2/2019, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Hellenic Petroleum Cyprus Holding (HPCH) LTD (hereinafter «HPCH») a notification of a proposed concentration. The notification was filed according to Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The notification concerns a concentration, according to which, HPCH, a subsidiary of Hellenic Petroleum group, will acquire 100% of the share capital of Blue Circle Engineering Limited (hereinafter the «Blue Circle»).

Hellenic Petroleum Cyprus Holding (HPCH) Ltd is a company duly registered under the laws of the Republic of Cyprus. Hellenic Petroleum Cyprus Holding (HPCH) Ltd is a subsidiary holding company of Hellenic Petroleum SA, with the purpose of investing in companies in Cyprus on behalf of the Hellenic Petroleum SA group.

Hellenic Petroleum SA is a trading and industrial group active in the energy sector in Greece and Southeastern Europe. The activities of the group include the supply, refining and trading of petroleum products in Greece and abroad, retail sale of petroleum products in Greece and abroad, production and trade of chemicals / petrochemicals, research and production of hydrocarbons, production and trade of electricity, production and trade of renewable energy sources and transportation of crude oil and products (pipelines, maritime transport).

Blue Circle Engineering Ltd is a company duly registered under the laws of the Republic of Cyprus and its main activities are the supply/ distribution of LPG in bulk, the mechanical design of LPG systems, the sale and installation of LPG systems and relevant equipment and the sale and installation of heating and cooling systems which use LPG as an energy source.

The concentration is based on the Sale and Purchase Agreement in respect of 100% of the shares of Blue Circle Engineering Ltd dated 15/01/2019 (hereinafter the "Agreement") between the HPCH, as the buyer and the shareholders of Blue Circle, as the Sellers.

The Commission, taking into account the facts of the concentration, has concluded that this transaction constitutes a concentration within the meaning of section 6(1)(a)(ii) of the Law, since it leads to a permanent change of control of Blue Circle.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance falling within the scope of the Law.

The relevant product markets in this case were defined as the a) import of LPG b) storage and management of LPG, c) wholesale supply/ distribution of LPG in bulk and d) retail supply/ distribution of LPG in bulk. For the purposes of the present case, the geographic market was defined as that of the Republic of Cyprus for all the relevant product/services markets.

According to the notification, there is a vertical overlap in the activities of the companies participating in the concentration in Cyprus, in the market of wholesale supply/ distribution of LPG in bulk, since the Target does not have activities in the market of

import and wholesale supply/ distribution of LPG in bulk and is supplied LPG by importers/ wholesalers like HPCH.

There is also a horizontal overlap in the relevant market of retail supply/ distribution of LPG in bulk, since the Buyer and Target has activities in this market in the Republic of Cyprus.

The Commission finds that there are affected markets in the concentration, according to Schedule I of the Law, because the market share of the parties in the market of wholesale supply/ distribution of LPG in bulk is [40-50]% and in the market of retail supply/ distribution of LPG in bulk is [20-30]%.

Therefore the Commission proceeded to analyse the compatibility of the merger, in accordance with the criteria set out in Article 19 of the Law and the Guidelines on the assessment of horizontal mergers under the Council Regulation on the control of concentrations between undertakings as well as the Guidelines on the assessment of non-horizontal mergers under the Council Regulation on the control of concentrations between undertakings

The Commission among other issues, took into account and assessed the structure of the affected market, the position of the participating undertakings in the affected market, the market structure, the financial strength of the participating undertakings, the alternative sources of supply, the supply and demand trends, the expected demand growth, the barriers to entry and the consumer interests, Co-ordinated Effects and Non-Coordinated Effects.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position in the affected markets and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

Therefore, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the operation of the competition in the market.

Loukia Christodoulou
Chairperson of the
Commission for the Protection of Competition