



**ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ**

Decision CPC: 47/2018

Case Number 8.13.018.18

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

**Notification of a concentration concerning the acquisition of the business of
dealership and distribution of Peugeot vehicles carried out by Demstar
Automotive Ltd by GPA Vision Drive Ltd**

Commission for the Protection of Competition:

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

Date of decision: 26/9/2018

SUMMARY OF THE DECISION

On 19/07/2018, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of GPA Vision Drive Ltd (hereinafter «GPA»), 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") and it concerns the proposed acquisition by GPA Vision Drive Ltd of the dealership of Peugeot vehicles carried out by Demstar Automotive Ltd.

GPA is duly registered under the provisions of the Laws of the Republic of Cyprus and it is active in the importation and distribution of vehicles under the trade names Opel, Citroen, Mazda and Subaru. The said company has authorized repair and maintenance stations run by trained and highly-qualified technicians.

GPA Insurance Agencies Ltd is duly registered under provisions of the Laws of the Republic of Cyprus and is one of the connected entities of GPA Group. The said company is active in the distribution of insurance services for clients of GPA.

The Target in this concentration is the business of dealership and distribution of vehicles, as well as the existing stock of vehicles and spare parts, the reputation and/or Demstar Automotive Limited's clientele in Cyprus associated only with the trade name "Peugeot".

The transaction is based on a Business Purchase Agreement (hereinafter the "Agreement"). Under the Agreement, GPA Vision Drive Ltd acquired the dealership of Peugeot vehicles from Demstar Automotive Ltd. Peugeots' mopeds and motorcycles are excluded from the said Agreement.

Taking into account the above mentioned facts, the Commission concluded that the transaction in question constitutes a concentration within the meaning of section 6(1)(a)(ii) of the Law because it will result in a change of control on a permanent basis of the Target which will be obtained by GPA.

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 transaction was of major importance under the Law.

The relevant product markets in the present case were defined as the 1) distribution of new passenger vehicles, 2) distribution of new commercial vehicles, 3) distribution of genuine spare parts of vehicles, 4) repair / maintenance services of vehicles, 5) distribution of insurance services for vehicles. For the purposes of the present case, the geographic market was defined as the Republic of Cyprus.

Considering the above, the Commission concludes that there is a horizontal overlap in the activities of the companies regarding the 1) distribution of new passenger

vehicles, 2) distribution of new commercial vehicles, 3) distribution of genuine spare parts of vehicles and 4) repair / maintenance services of vehicles.

The Commission, based on the information provided by the parties, concluded that the said concentration does not lead to an affected market as the combined market share of the enterprises involved is below 15% in each relevant market.

Based on the information provided by the parties, GPA is active in the distribution of insurance services for vehicles for its clients through its connected entity GPA Insurance Agencies Ltd.

Considering the above, the Commission concluded that there is a neighboring market between the services provided by GPA (i.e. distribution of agency insurance services) and those provided by the Target (i.e. distribution of new passenger and commercial vehicles) since the aforementioned products/markets are offered to the same category of customers.

The Commission concluded that although the concentration leads to a neighboring market, the combined market share of GPA and the Target as regards the aforementioned relevant markets is below 25%.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position as there is no affected market according to Annex I of the Law, and therefore the concentration does not raise serious doubts as to its compatibility with the operation of 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 competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition