



**ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ**

**ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ**

Decision CPC: 21/2019

Case Number: 8.13.019.01

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

**Notification of a concentration concerning the acquisition of the business of
production and supply of flour and by-products of Etairia Emporon &
Biomihanon Sitou Ltd (Merchants & Manufacturers of Wheat Ltd) by Savvas
Hatjigiorkis and Sons Ltd**

Commission for the Protection of Competition:

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

Date of decision: 8/4/2019

SUMMARY OF THE DECISION

On 3/1/2019, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Savvas Hatjigiorkis and Sons Ltd, 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 the acquisition of business of production and supply of flour and flour by-products of Etairia Emporon & Biomihanon Sitou Ltd by Savvas Hatjigiorkis and Sons Ltd.

Savvas Hatjigiorkis and Sons Ltd is a company duly registered under the laws of Cyprus and its main activities are related to the production and supply of flour and flour by-products which are produced during milling. It is also active in the supply and trade of semolina and products related to bakery and confectionery.

Etairia Emporon & Biomihanon Sitou Ltd, is a company duly registered under the laws of Cyprus and is active exclusively in production and trade of flour milling products and by-products.

The concentration is based on a Purchase Agreement dated 13/11/2018 (hereinafter the "Agreement") between Savvas Hatjigiorkis and Sons Ltd as the Buyer and Etairia Emporon & Biomihanon Sitou Ltd as the Seller. According to the Agreement, the Buyer will buy the Target as an ongoing economic entity at the agreed price.

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 the target.

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 market in this case was defined as (a) the market of flour supply and (b) the market of flour by-products for animal feeding. For the purposes of the present case, the geographic market was defined as that of the Republic of Cyprus for the relevant product/services markets.

According to the notification, there is a horizontal overlap in markets (a) and (b) in Cyprus.

The Commission concluded that there are affected markets in the concentration, according to Schedule I of the Law, because the total market share of the parties in the (a) market of flour supply is 30-40% and in the (b) market of flour by-products for animal feeding is 30-40%.

The Commission took into account and assessed the structure of the affected markets, the position of the participating undertakings in the affected markets, the HHI index as well as the change in the HHI (known as "Delta"), the supply and demand trends, 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 market 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