



Decision CPC: 13/2021

Case Number: 08.05.001.021.009

## THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

**Notification of a concentration concerning the acquisition of the share capital of ŽOS Vrútky a.s., ŽOS-EKO, s.r.o., ŽOS-MEDIKA s.r.o. and ŽOS TRADING s.r.o. by Tatravagonka a.s.**

Commission for the Protection of Competition:

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

Date of Decision: 3<sup>rd</sup> of March 2021

### SUMMARY OF THE DECISION

On 05/02/2021, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Tatravagonka a.s. (hereinafter the “Purchaser”), 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, the Purchaser, will acquire the share capital of ŽOS Vrútky a.s., ŽOS-EKO, s.r.o., ŽOS-MEDIKA s.r.o. and ŽOS TRADING s.r.o. (hereinafter the “Target Companies”)

Tatravagonka a.s. is a company duly registered in accordance with the laws of the Slovak Republic. This company is active in the production of wagons, in the

production of stretchers for wagons, in the renovation of railway vehicles and in the production of spare parts for wagons.

Through its subsidiaries, Tatravagónka is active in the production and assembly of steel structures, locks and welding, reconstruction, repair and renovation of wagons, production of bearing housings and forks, production of frames for semi-trailer trucks, production of parts for agricultural machinery, production of parts for machinery in the petrochemical industry, production of frames for wagons and production of pressure vessels for railway and road vehicles.

Tatravagónka is jointly controlled by BUDAMAR LOGISTICS, a.s. (hereinafter «Budamar») and by Optifin Invest s.r.o. (hereinafter «Optifin»).

Budamar is a company duly registered in accordance with the laws of the Slovak Republic. It is active in the field of international freight transport and logistics. Specifically, Budamar together with its subsidiaries and its affiliated companies (hereinafter «Budamar Group») offers the following services:

- Transportation of goods
- Road, rail and sea transport
- Multimodal and intermodal transport
- Customs clearance and customs debt services and
- Warehousing and consulting services.

Optifin is a company duly registered in accordance with the laws of the Slovak Republic and is the holding company of Optifin Invest Group. The Optifin Group is an international industrial group operating a large portfolio of companies involved in various sectors.

The Target Companies of this concentration are ŽOS Vrútky a.s., ŽOS-EKO, s.r.o., ŽOS-MEDIKA s.r.o. and ŽOS TRADING s.r.o, which are duly registered in accordance with the laws of the Slovak Republic.

These companies are active in the production of passenger cars and diesel multiple units, in the maintenance/repair of passenger carriages, machines and machine parts, in waste management, in management of dangerous waste and water management activities, in provision of healthcare services in the territory of Slovakia

and in the market of spare parts and accessories of passenger cars and diesel multiple units.

ŽOS V is exclusively controlled by Budamar and ŽOS E, ŽOS M and ŽOS T are jointly controlled by Budamar and a physical person, a businessman in the Slovak Republic. None of the other companies, which are controlled by Moric Family, are not active in a market in which Tatravagonka or the Target Companies are active.

The concentration is based on a Memorandum of Cooperation (hereinafter "Memorandum"). In the framework of this Memorandum, the parties expressed their good faith intention to enter into an agreement.

Through the transaction, Tatravagonka will acquire from Budamar the shares held by this company in the Target Companies.

As a result of the Agreement to be concluded, Tatravagonka will gain direct sole control over ŽOS V and direct joint control over the companies ŽOS E, ŽOS M, and ŽOS T. With regard to ŽOS E, ŽOS M, and ŽOS T, control will be exercised jointly with the physical person.

The Commission, taking into account the facts of the concentration, has concluded that the act in question 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 Companies.

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/services markets were defined as:

- the market of production and distribution of wagons and passenger wagons
- the market of production and distribution of diesel multiple units
- the market of repair and maintenance services of railway vehicles
- the market of production and distribution of components for railway vehicles

- the market of freight rail
- the market of shipping of goods
- the market of waste management.

The geographic market for all the above-mentioned relevant product/services markets is the territory of the Republic of Cyprus.

According to the notification, there is no horizontal overlap between the activities of the participating enterprises in the Republic of Cyprus. Also, there are no vertical relationships between the activities of the participating enterprises in Cyprus.

On the basis of the above and all the elements of the administrative file, the Commission concludes that there are no other markets in which the notified concentration is likely to have significant effects, in accordance with the provisions of the Law.

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