



**ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ**

Decision CPC: 53/ 2018

Case Number: 8.13.018.23

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

**Notification of concentration regarding the creation of joint venture by I.G.
Cassoulides & Son Ltd and Printco Manufacturing & Trading 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: 1 November 2018

SUMMARY OF THE DECISION

On 08/08/2018, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of I.G. Cassoulides & Son Ltd (hereinafter «Cassoulides») and Printco Manufacturing & Trading Ltd (hereinafter «Printco») 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, Cassoulides and Printco will create the joint company «Printco Cassoulides Ltd» (hereinafter the «New Company»).

I.G. Cassoulides & Son Ltd is a company duly registered under the laws of the Republic of Cyprus and is parent company of Hermes Media Press Ltd and Zavallis Litho Ltd. The company provides printing services and is mainly active in the printing of magazines, flyers, prospectus, envelopes, brochures and business cards. In addition, through its subsidiary Hermes Media Press Ltd, it is active in the printing of newspapers.

Printco Manufacturing & Trading Ltd is a company duly registered under the laws of the Republic of Cyprus and is active in in the printing of newspapers, flyers, brochures, business cards and generally printing products.

The joint venture will be named Printco Cassoulides Ltd. The two parent companies will transfer to this company their activities concerning the printing of newspapers, magazines, flyers, catalogues, business cards and generally printing products.

The concentration is based on the Shareholders' Agreement dated 31/07/2017 (hereinafter the "Agreement") for the establishment of the New company by Cassoulides and Printco.

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)(b) of the Law, since Printco Cassoulides Ltd will be a joint venture, controlled by Printco and Cassoulides and will perform on a lasting basis all the functions of an autonomous economic entity.

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 1) printing of daily and weekly newspapers 2) printing of weekly and monthly magazines and 3) printing of brochures, catalogues and other products. 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 no vertical overlap in the activities of the companies participating in the concentration in Cyprus but there is a horizontal overlap between the services of the New Company and the services of the parent companies

in the relevant markets of a) printing of daily and weekly newspapers b) printing of weekly and monthly magazines and c) printing of brochures, catalogues and other products 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 combined market share of the parties in the market of printing of weekly and monthly magazines is 20-30%, in the market of brochures, catalogues and other products is 10-20% and in the market of printing of daily and weekly newspapers is 10-20%.

Therefore the Commission proceeded to analyse the compatibility of the merger, in accordance with the criteria set out in Article 19 of the Law.

The Commission 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.

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