



Decision CPC: 14/2020

Case number: 8.13.019.06

**THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW
NO 83(1)/2014**

**Notification of a concentration concerning the purchase and acquisition of part
of the business of Demstar Automotive Limited by Galatariotis Motors Limited**

Commission for the Protection of Competition:

Mr. Panayiotis Oustas	Chairperson
Mr. Aristos Aristeidou Palouzas	Member
Mr. Polynikis Panayiotis Charalambides	Member

Date of Decision: 18 March 2020

SUMMARY OF THE DECISION

On 19/2/20 the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of Galatariotis Motors Limited (hereinafter "Galatariotis Motors"), a notification of a proposed concentration.

The said notification involves a concentration according to which Galatariotis Motors will acquire the entire car dealership and distribution undertaking, as well as the existing stock of spare parts vehicles, and the reputation of Demstar Automotive Limited (hereinafter 'Demstar') in Cyprus relating only to cars under the name 'Honda' (hereinafter referred to as the "Target").

The enterprises involved in this transaction are the following:

- Galatariotis Motors Limited, is a company duly registered under the laws of the Republic of Cyprus, wholly owned and controlled by Galatariotis Technical Limited, which is also duly registered under the laws of the Republic of Cyprus, and which is part of a group of companies wholly owned and controlled by

Galatariotis Brothers Ltd. Galatariotis Technical Limited, is active in the marketing and maintenance of telephone systems, in the supply and maintenance of rolling luggage transport floors and radiological equipment, in the development and operation of a system of rolling floors carrying luggage and radiological equipment, in the development and operation of the Greek short-hand system "ZYGOS", in contractor work and in the provision of special security services. Galatariotis Motors Limited is a newly established company and acts as the acquiring company for the purposes of this concentration.

- The target in this concentration comprises of the acquisition of the seller's assets concerning the business of dealership and distribution of vehicles (motorcycles and cars), as well as the existing stock of vehicles, spare parts, and the seller's goodwill, associated only with the trade name "HONDA".

The transaction is based on an Agreement (hereinafter the "Agreement") between Demstar Automotive as the seller and Galatariotis Motors as the acquirer. Under the Agreement, Galatariotis Technical, through the purchasing company Galatariotis Motors, will acquire certain assets of the seller, in order to strengthen and expand the work that the acquirer will undertake as the new authorized representative of "HONDA" in Cyprus, under a representation-distribution agreement expected to be concluded with the Honda Manufacturer.

It is noted that the acquisition concerns the acquisition of part of the sales company's businesses, and does not include the acquisition of the workshops and/or the existing maintenance and repair services of the "HONDA" vehicles. It should be further noted that the abovementioned section of undertakings includes the staff employed in them.

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) were satisfied and therefore the notified transaction was of major importance under the Law.

The Commission, for the purposes of evaluating this concentration has concluded that the relevant markets are (1) the distribution of all vehicles under the name 'HONDA',

2) the distribution of motorcycles under the name 'HONDA' and 3) the distribution of spare parts in respect of cars and motorcycles under the name 'HONDA'. The territory of the Republic of Cyprus has been defined as a geographic market.

The Commission noted that according to the information provided in the notification, there is no horizontal and/or vertical relationship between the undertakings participating in Cyprus on the relevant markets.

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 and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

On the basis of the above and all the information in the administrative file, the Commission concluded that there are no other markets on which the notified concentration may have a significant impact, based on the provisions of the Law.

Therefore acting in accordance with Article 22 of the Law, the Commission unanimously decides not to oppose the notified concentration and declares it compatible with the functioning of the competition in the market.

Panayiotis Oustas

Chairperson of the Commission for the Protection of Competition