



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ  
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

**Decision CPC: 18/2021**

Case Number 08.05.001.021.011

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

**Notification of concentration concerning the acquisition of all assets and rights associated with Ingka Procedure AB's retail equipment business; INGKA Procedure LLC and Ingka Procedure Wholesale (Shanghai) Co., Ltd. by Inter IKEA Holding B.V., through IKEA Components AB Group Companies, IKEA Components s.r.o. and IKEA Components (China) co., Ltd.**

Commission for the Protection of Competition:

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

Date of decision: 29/3/2021

**SUMMARY OF THE DECISION**

On the 24/2/2021, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of Inter IKEA Holding B.V. (hereinafter the «Buyer» or «IIG»), 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, IIG, through its subsidiaries IKEA Components AB, IKEA Components s.r.o. and IKEA Components (China) co., Ltd will acquire all assets and rights associated with the IKEA retail equipment business of Ingka Procurement AB, Ingka Procurement LLC και Ingka Procurement Wholesale (Shanghai) Co., Ltd (hereinafter "the Target").

- Inter IKEA Group is a group of companies that connects IKEA franchisees with producers (range development) and suppliers, and aligns IKEA's overall strategic direction. Inter IKEA Group includes Inter IKEA Systems B.V. – the global licensor company (franchisor) IKEA – as well as producers (range development), suppliers and certain industrial activities.

- The Target in this concentration are the assets which include the retail equipment business of the Ingka Group and cover the design of production specifications for IKEA Retail Equipment, in accordance with operational requirements of the Inter IKEA Group, the sourcing of such IKEA Retail Equipment, and the subsequent sale of such IKEA Retail Equipment to all franchisees.

The concentration is based on asset transfer agreements dated 23/11/2020. In accordance with these Agreements, IIG, through its subsidiaries IKEA Components AB, IKEA Components s.r.o and IKEA Components (China) Co., will acquire all assets and rights associated with the IKEA retail equipment business of Ingka Procurement AB, INGKA Procurement LLC and Ingka Procurement Wholesale (Shanghai) Co., Ltd (the "Sellers").

The Commission, after 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 the market of a) the market of IKEA retail shops' equipment to IKEA franchisees, (b) the wholesale market of furniture and decorative items, (c) the wholesale market of ready-to-eat foods. For the purposes of the present case, the geographic market was defined as the Republic of Cyprus for the aforementioned product/service markets.

There is no horizontal overlap of IIG and the Target in Cyprus. In addition, there are no vertical relationships due to the fact that the Target does not sell products to IIG in Cyprus and its sales are made directly to the IKA franchisee.

There are two vertical relationships between external IKEA franchisee and IIG. One of them is a vertical relationship that is related to the IKEA franchise agreement of Retail idea (IKEA Concept) by the external IKEA franchisee in Cyprus and the other one to the wholesale market of furniture, decorative items and food products by the external IKEA franchisee in Cyprus which are supplied by IIG. Also there is a vertical relationship between the external IKEA franchisee and the Target in Cyprus via the purchase of IKEA retail shops' equipment by the franchisee.

The Commission noted that the Target does not have a presence in the market except the sale of IKEA retail shops' equipment to the IKEA franchisee. This specific equipment can not be sold or used by any other retail store beside the IKEA franchisee. In addition, the Commission noted the large number of furniture and decorative items as well as ready-to-eat food suppliers.

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.

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