



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



Decision CPC: 43/2013

Case Number 8.13.013.11

**THE CONTROL OF CONCENTRATIONS
BETWEEN ENTERPRISES LAWS 1999 TO 2000**

**Notification of concentration regarding the acquisition of the share capital
of Johan Walter Berg AB by Caterpillar Inc, through its subsidiary
Caterpillar Luxembourg S.A.R.L.**

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou,	Chairperson
Mrs. Eleni Karaoli,	Member
Mr. Andreas Karídes,	Member
Mr. Charis Pastellis,	Member
Mr. Christos Tsingis	Member

Date of decision: 1 August 2013

SUMMARY OF THE DECISION

On the 27th of June 2013, the Commission for the Protection of Competition (hereinafter the «Commission») received on behalf of Caterpillar Inc (hereinafter "CAT") and Johan Walter Berg AB (hereinafter «Berg») notification of a proposed concentration, in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»). The transaction concerned the acquisition of Berg by CAT, through its subsidiary Caterpillar Luxembourg S.A.R.L. (hereinafter "CAT Lux").

Caterpillar Inc is a company duly registered under the laws of the United States of America and is a global manufacturing company, which engages in the production and sale of motors, engines and necessary parts of motors, including mining equipment.

CAT also, engages in the shipping market by supplying engines for ships diesel type medium- and high-speed, generator sets and auxiliary engines. CAT, through its subsidiary Caterpillar Financial, also, provides financial services (leasing) to its customers.

Caterpillar Luxembourg S.A.R.L. is a company duly registered under the laws of Luxembourg and is a subsidiary of Caterpillar Inc. This company has two basic functions: a) the possession of the share capital of various subsidiaries of Caterpillar Group of Companies and b) the provision of intra-corporate finance to particular members of Caterpillar Group of Companies.

Johan Walter Berg AB is a company duly registered under the laws of Sweden, which engages in the design and production of propellers, propulsion systems in the international shipping market. Berg supplies customized products and manages all stages of its products, from the development, design and production to sales and maintenance.. Berg also, provides technical services for all parts of the engine.

This transaction was based on the Share Purchase Agreement (hereinafter the «Agreement»), signed on 20 June 2013, among Caterpillar Luxembourg SARL, Aston Harald AB, Bla Skrinet AB, Kim Hoch Qeuk, Aloysius Hendricks, Lakshmana Ekanayake, Hakan Svensson , Bjorn Svensson and Stefan Sedersten. CAT Lux is the buyer, Aston Harald AB, Bla Skrinet AB, Kim Hoch Qeuk, Aloysius Hendricks, Lakshmana Ekanayake are the sellers, Hakan Svensson and Bjorn Svensson are the guarantors and Stefan Sedersten is the guarantor of Bla Skrinet AB. Pursuant to this Agreement, CAT will acquire 100% of the share capital of Berg.

The Commission, taking into account the facts concerning this concentration concluded that this transaction constitutes a concentration within the meaning of section 4 (1) (b) of the Law, since it results in the acquisition of sole control of Berg by CAT.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set in section 3 (2) (a) of the Law were satisfied and therefore the notified concentration was of major importance, following within the scope of the Law. According to the notification, the aggregate turnover achieved by CAT and Berg, in relation to each one of them for 2012 exceeded 3.417.203 euro. In addition, CAT and

Berg engage in commercial activities within the Republic of Cyprus and their aggregate turnover for 2012 exceeded 3.417.203 euro.

CAT is active, among others, in the production and sale of motors, engines and necessary parts of machines, including mining equipment. Concerning the shipping market, CAT supplies engines for ships, diesel type medium- and high-speed, generator sets and auxiliary engines.

Berg focuses on the design and production of propellers, propulsion systems in the international shipping market. This company supplies customized products and manages all stages from the development, design and production to sales and maintenance. Berg produces variable pitch propellers from 500 HP to 27.000 HP, tunnel and azimuth thrusters from 800 HP to 5000 HP and remote controlled devices. Berg also provides technical services for all parts of the engines.

The Commission for purposes of evaluating this concentration considered the relevant product/service market to be: 1) the manufacture and supply of CPP, 2) the manufacture and supply of azimuth and tunnel thrusters, 3) the supply of remote control systems to control CPP and thrusters, 4) the supply of stern tubes, 5) the manufacture and supply of feathering, 6) the supply of spare parts and provision of technical services for all the above relevant markets and 7) the supply of marine engines. The geographical market in this case was left open.

Based on the information provided, although both participating companies engage in commercial activities within the Republic of Cyprus, but there are no horizontal overlaps or vertical relationships among the activities of CAT and Berg in Cyprus. Therefore, the concentration does not create any affected markets as determined in Annex I of the Law.

The Commission, on the basis of the factual and legal circumstances, applying the relevant provisions of the Law and taking into consideration the report of the Service, 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 competitive market.

Therefore, the Commission, acting in accordance with section 18 of the Law, unanimously decided not to oppose the notified concentration and declare it as being compatible with the requirements of the competitive market.

Mrs. Loukia Christodoulou
Chairperson of the Commission for the Protection of Competition