



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

Decision CPC: 5/2019

Case Number 8.13.018.36

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

Notification of a concentration concerning the acquisition of part of the share capital of the company Hotel and Enterprises Plaza Ltd by Altantica Leisure group Ltd, via Agasias Greek Properties Ltd

Commission for the Protection of Competition:

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

Date of decision: 29/01/2019

SUMMARY OF THE DECISION

On the 31/12/2018, the Commission for the Protection of Competition (hereinafter the “Commission”) received on behalf of Atlantica Leisure Group Ltd, 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 Altantica Leisure Group Ltd, via the Agasias Greek Properties Ltd (hereinafter “AGP”), will acquire part of the share capital of the company Hotel and Enterprises Plaza Ltd (hereinafter the “Target”).

Atlantica Leisure Group Limited (hereinafter “ALG”) is a company duly registered under the laws of Cyprus and its main activities are related to the hotel sector in Cyprus.

Agasias Greek Properties Ltd is a company duly registered under the laws of Cyprus, that remained inactive until now and it will be used only for this concentration. AGP is a wholly owned subsidiary of Atlantica Leisure Group Limited.

Hotel and Enterprises Plaza Ltd is a company duly registered under the laws of Cyprus and its only activity is the ownership and operation of Miramare Beach Hotel in Limassol.

Comarine Ltd is a company duly registered under the laws of Cyprus. The said company's activities include tourism, maritime, commercial (representation of cooperative companies) and investments in subsidiaries. Comarine Ltd owns part of the share capital of the target.

The concentration is based on the Subscription Agreement dated 28/12/2018 (hereinafter the "Agreement") among Comarine, Metropolitan Credit & Finance Company Ltd (hereinafter the «MCF» and with the Comarine hereinafter the «CM»), AGP and the Target.

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 the target is an autonomous joint venture.

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 (1) the market of 3* and 4* Hotels and hotel apartments Category A and (2) the market of 5* and 4* hotels and hotel apartments Category A and Deluxe. For the purposes of the present case, the geographic market was defined as the district of Limassol.

According to the notification, there is a horizontal overlap in the activities of the companies participating in the concentration in (1) the market of 3* and 4* Hotels and hotel apartments Category A and (2) the market of 5* and 4* hotels and hotel apartments Category A and Deluxe.

The undertakings concerned claimed that the joint market share of the companies in the market of 5* and 4* hotels and hotel apartments Category A and Deluxe is less than 15% regarding the number of rooms and is less than 15% regarding the number of beds so it is not considered as affected market.

As regards as the joint market share in the market of 3* and 4* Hotels and hotel apartments Category A in district of Limassol, it is more than 15% and this market is considered as affected market.

There is no vertical relationship between the activities of the enterprises involved.

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 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 importance of technical and financial development, the expected demand growth, the barriers to entry and the consumer interests. The Commission was taking into account the fact that the control of the hotel that belongs to the Target is owned jointly by ALG and the Target, in accordance with the decision no. 15/2017 dated 8/5/2017.

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