ΚΥΠΡΙΑΚΗ
ΔΗΜΟΚΡΑΤΙΑ

ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

**Decision CPC: 48/2019**

**Case Number: 8.13.019.30**

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

**Notification of a concentration regarding the acquisition by The Alexandrion Holdings Ltd of part of the share capital of V. M. Cavaway Limited**

Commission for the Protection of Competition:

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| Mrs. Loukia Christodoulou | Chairperson |
| Mr. Andreas Karidis | Member |
| Mr. Panayiotis Oustas | Member |
| Mr. Aristos Aristidou Palousas | Member |
| Mr. Polynikis-Panayiotis Charalambides | Member |

Date of Decision: 11 September 2019

**DECISION SUMMARY**

The Commission for the Protection of Competition (hereinafter the “Commission”) received notification with regard to a proposed concentration, on behalf of The Alexandrion Holdings Ltd (hereinafter «Alexandrion»). The notification was filed on 26/7/2019, in accordance with Section 10 of Law 83(I)/14 regarding the Control of Concentrations between Enterprises (hereinafter the “Law”).

The concentration is accomplished by way of purchase of shares. Specifically, Alexandrion shall acquire 51% of the share capital of V.M. Cavaway Limited (hereinafter«Cavaway»).

Alexandrion constitutes a limited liability company and is the mother company of the Alexandrion Group of companies (hereinafter the “Group”). Even though the Group’s activities mainly focus on the production and wholesale distribution of beverages and wines in Romania, it is also involved in activities relating to the trading of coffee, chocolate and other non-alcoholic beverages, as well as in the production of grapes which are further used for the production of the Group’s wines.

The Target in this concentration is Cavaway, a company duly registered under the laws of Cyprus. The company is active in the beverages industry, as an importer, wholesaler and retailer of alcoholic and non-alcoholic beverages, such as wine (sparkling and non-sparkling), champagne, beer as well as spirits, such as vodka, tequila, rum, gin, liqueur, brandy and whisky.

The details of the concentration are set forth in the Agreement for the Sale and Purchase of Shares and the Shareholder’s Agreement attached thereto (hereinafter the “Agreement”), by way of which Alexandrion shall eventually hold 51% of the share capital of Cavaway, whereas the remaining 49% will be retained by its present owner (physical person).

In view of the above, the Commission concludes that the transaction constitutes a concentration within the meaning of Section 6(1)(a)(ii) of the Law, since it leads to a change of control of Cavaway on a lasting basis.

The Commission additionally finds that the criteria set forth by Section 3(2)(a) of the Law are met, and thus the notified concentration is of major importance, falling within the scope of the Law.

For the purposes of assessing the merger, the Commission concluded that the relevant product / service markets are defined as (i) 1) the wholesale market and 2) the retail market of wine and (ii) 1) the wholesale market and 2) the retail market of spirits. The Commission further concluded that the geographic market is defined as the Republic of Cyprus.

Based on the information provided by the parties, there is a horizontal overlap in the activities of Alexandrion and Cavaway concerning their activities in the wholesale market of spirits.

Furthermore, based on the information provided by the parties, there are potential vertical relationships between the parties, given that Alexandrion was involved in the wholesale market of spirits in Cyprus whilst Cavaway is a retailer of such goods. Thus, upon conclusion of the concentration, Alexandrion will be able to provide the latter with its products with a view that they may further be sold by Cavaway, as a retailer.

The Commission concluded that, on the basis of Annex I of the Law, the proposed merger will not give rise to any affected markets. Specifically: (a) on a horizontal level, there is no affected market in the wholesale market of spirits, considering that the combined market share of the parties does not exceed the 15% threshold and (b) on a vertical level, the proposed merger shall not lead to any affected markets since the market shares of the parties in each relevant market do not exceed 25%.

On the basis of the factual and legal circumstances of the case before it, the Commission unanimously decided that the concentration under consideration neither creates nor strengthens a dominant position, as there is no affected market, and therefore does not raise serious doubts as to its compatibility with the operation of competition in the market.

In conclusion, the Commission, acting in accordance with section 22 of the Law, unanimously decided not to oppose the notified concentration and declares it compatible with the operation of competition in the market.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition