



Decision CPC: 41/2021

Case Number: 08.05.001.021.036

THE CONTROL OF CONCENTRATIONS BETWEEN ENTERPRISES LAW

No. 83(I)/2014

Notification of a concentration concerning the acquisition of the SPAR supermarket in Larnaca of ERMES Department Stores PLC by S.D.T Ioannides Bros Limited

Commission for the Protection of Competition:

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

Date of Decision: 29 June 2021

SUMMARY OF THE DECISION

On 18/06/2021, the Commission for the Protection of Competition (hereinafter the "Commission") received on behalf of S.D.T Ioannides Bros Limited (hereinafter the "S.D.T Ioannides" or the "Buyer"), 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, S.D.T. Ioannides intends to acquire the supermarket business under the SPAR brand (hereinafter the "SPAR" or the "Target"), which is owned by ERMES Department Stores PLC.

The participating parties are the following:

1. S.D.T. Ioannides is a company duly registered according to the laws of the Republic of Cyprus. It is active in the retail trade of food and household items

through supermarkets. It owns supermarkets in Anthoupolis and Agious Omologites and it is also active in the real estate management market.

2. The Target is SPAR in Larnaca, which is owned by ERMES Department Stores PLC. The business is a supermarket that is active in the retail of food and household items, in the Drosia area of Larnaca district.

The concentration is based on an Agreement for Sale of Business (hereinafter the “Agreement”) between Ermes Department Stores Plc (Seller) and S.D.T Ioannides Bros Limited (Buyer), dated 7 June 2021. Based on this Agreement, the Target will be acquired by S.D.T. Ioannides Bros Limited.

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 there is 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/services market in this case was defined as the supermarket retail sale of supermarket goods and the geographic market was defined as local, the district of Larnaca and the district of Nicosia.

The Commission concludes that there is no horizontal relationship. Specifically, the Commission notes that the two participating parties are active in the same relevant product/service market but they are active in a different geographic market. It is not feasible for a resident in the district of Larnaca to visit a supermarket in Nicosia.

Moreover, there is no vertical relationship since none of the parties is active in the upstream or downstream market.

Taking into account the above, the Commission concludes that in this concentration no affected market is created based on Annex I of the Law. In addition, there are no other markets in which the notified concentration may have a significant effect.

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