

Decision CPC: 5/2014

Case Number 8.13.013.35

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

Notification of a concentration concerning the acquisition of the share capital of Hagesud Interspace Gewurzwerke & Co. KG, Hagesüd Interspace France SARL and Hagesüd Interspace Gewürzwerke Beteiligung GmbH by Israel Chemicals Ltd through its subsidiary company BK Guilini GmbH

Commission for the Protection of Competition:

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

Date of decision: 20 January 2014

SUMMARY OF THE DECISION

The Commission for the Protection of Competition (hereinafter the «Commission») received a notification of a proposed concentration by Israel Chemicals Ltd (hereinafter "ICL"), in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»). The notification concerns the acquisition of the share capital of Hagesud Interspace Gewurzwerke & Co. KG (hereinafter «Hagesüd KG»), its subsidiary Hagesüd Interspace France SARL (hereinafter «Hagesüd SARL») and Hagesüd Interspace Gewürzwerke Beteiligung GmbH (hereinafter «Hagesüd GmbH») by ICL, through its subsidiary company BK Guilini GmbH (hereinafter «BK Guilini»).

The enterprises involved in this transaction are the following:

- ICL is a public company registered under the laws of Israel, whose shares are traded on the Tel Aviv Stock Exchange. The company is solely controlled by Israel Corporation Ltd and is active in various product areas e.g. farming and food. ICL is also active through its subsidiary Fibrisol-Muscalla GmbH (hereinafter « Fibrisol ») in seasoning products and other additives for the meat processing industry.
- BK Guilini is a wholly owned subsidiary of ICL. The company is active in various business segments e.g. it sells salt phosphates to food additives mixing companies.
- Hagesüd KG is a company duly registered under the laws of Germany. The company manufactures and distributes seasoning products and additives. It refines and blends spices, spiced oils or herbal extracts as well as other food additives.
- Hagesüd GmbH is a company duly registered under the laws of Germany. The company is one of the partners of Hagesüd KG.
- Hagesüd SARL is a company duly registered under the laws of France and it is a subsidiary of Hagesüd KG. The company is a wholesaler of coffee, tea, cacao and spices and operates in France.

This transaction is based on the Share, Real Estate and Asset Sale and Purchase and Transfer Agreement dated 16 December 2013, the Seller and BK Giulini (the «Acquirer»). Based on the information contained in the notification, ICL via its subsidiary BK Giulini will acquire all the shares and voting rights in Hagesüd KG and its subsidiary company Hagesüd SARL. ICL will also acquire the unlimited partner of Hagesüd KG, Hagesüd GmbH. For the purposes of the present transaction Hagesüd KG, Hagesüd GmbH and Hagesüd SARL will be referred to as the Target Companies.

The Commission, taking into account the above facts and data submitted by the relevant parties has concluded that this transaction constitutes a concentration within the meaning of section 4(1)(b)(ii) of the Law, since ICL, through its subsidiary BK Giulini will hold all shares and voting rights in the Target Companies and thus exercise sole control over them.

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 under the Law. According to the notification, the aggregate turnover achieved by ICL and the Target Companies, in relation to each one of them for 2012, exceeded 3.417.203 euro. In addition, the companies involved engage in commercial activities within the Republic of Cyprus and their aggregate turnover for 2012 exceeded 3.417.203 euro.

The Commission for purposes of evaluating this concentration considered the relevant product/service market to be the distribution of spices and additives for the meat processing industry. The definition of the geographic market for the relevant product/services market was left open.

Based on the information provided, only one of the involved companies engage in commercial activities in the relative product/service market within the Republic of Cyprus. Therefore, the concentration does not create any affected markets as determined in Annex I of the Law as there is no horizontal or vertical overlap in the relevant markets within the Republic of Cyprus.

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