

Decision CPC: 14/2017

Case Number 8.13.017.09

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

**Notification of concentration regarding the creation of three companies between  
Marlow Group and Schoeller Group**

Commission for the Protection of Competition:

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

Date of decision: 3 May 2017

**SUMMARY OF THE DECISION**

On the 17<sup>th</sup> of March 2017, the Commission for the Protection of Competition (hereinafter the “Commission”) received a notification of the proposed concentration from Marlow Group and Schoeller Group, in accordance with section 10 of the Control of Concentrations between Enterprises Law (Number 83(I)/2014) (hereinafter the “Law”). The concentration concerns the proposed creation of three companies between Marlow Group and Schoeller Group. Specifically, the notified concentration, concerns the proposed creation of (a) Shipmanagement Parent, (b) Manning Agency Parent and (c) Fleet Parent.

Marlow Group offers a variety of services related to the maritime sector. The main activity of Marlow Group relates to the field of ship management and other related shipping services worldwide through Marlow Navigation, which is a global provider of shipping services, specializing in crew management services and technical management

of maritime assets of high value. Also, Marlow Group owns ships that charters to third-parties.

Schoeller Group provides services related to the maritime sector. The main activity of Schoeller Group relates to the field of ship management and other related shipping services worldwide, and in particular crew management services and technical management of maritime assets of high value that belong to third parties, through Columbia Shipmanagement. Schoeller Group is also active in the field of ship-ownership as a ship owner, including container vessels, multipurpose vessels, product carriers and chemical tankers. Schoeller Group is also active in other sectors, such as restaurants, hotels, garden services, laundry services and air services.

The transaction is based on a memorandum of understanding and specifically the "Project Phoenix Term Sheet" dated 7/3/2017, concerning the creation of Shipmanagement Parent, Manning Agency Parent and Fleet Parent.

The Commission, taking into account the facts of this concentration concluded that this transaction constitutes a concentration:

(a) within the meaning of section 6(1)(b) of the Law, since it leads to the creation of two joint ventures, namely, Shipmanagement Parent and Fleet Parent, and,

(b) within the meaning of section 6(1)(a)(i) of the Law, since it leads to the merger of activities of Marlow Group and Schoeller Group, in respect to manning services, with the creation of Manning Agency Parent.

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 transaction was of major importance under the Law. According to the notification, the aggregate turnover achieved by Marlow Group, as well as, Schoeller Group exceeded, in relation to each one of them 3.500.000 euro. Furthermore, both Marlow Group and Schoeller Group, engaged in commercial activities within the Republic of Cyprus and the total turnover which relates to the supply of goods and services within the Republic exceeded 3.500.000 euro.

The relevant product markets in this case were defined as the market of:

- (i) the provision of ship management services, which is divided into three separate sub-markets, namely: (a) crew management, (b) technical management and (c) commercial management,
- (ii) the provision of ship ownership services, and,
- (iii) the provision of chartering services.

The definition of the geographic market of all the relevant product markets in this case was defined as the Republic of Cyprus.

The Commission noted that both Marlow Group and Schoeller Group conducted commercial activities within the territory of the Republic of Cyprus.

The Commission noted that in the case of the provision of ship ownership services there is no horizontal overlap concerning the activities of the parties within the territory of the Republic of Cyprus. Also, it noted that in the case of the provision of chartering services, Marlow Group is not active within that market and thus there is no horizontal overlap concerning the activities of the parties within the territory of the Republic of Cyprus. Furthermore the Commission noted, that in the case of the provision of ship management services, there are horizontal overlaps concerning the activities of the parties within the territory of the Republic of Cyprus, but the combined market shares of Marlow Group and Schoeller Group do not exceed 15%.

Also the Commission noted that there are no vertical overlaps of the activities of Marlow Group and Schoeller Group within the territory of the Republic of Cyprus.

The Commission, on the basis of the evidence before it, 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