



Decision CPC: 6/2017

Case Number: 8. 13.017.02

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

Notification of concentration regarding the acquisition of the share capital of ABM Italia S.p.A by Keter Group BV, via its subsidiary Corona Plastic (2016) S.r.L.

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou, Chairperson
Mrs. Eleni Karaoli, Member
Mr. Andreas Karides, Member
Mr. Charis Pastellis, Member
Mr. Panayiotis Oustas Member

Date of decision: 17 February 2017

DECISION SUMMARY

On the 26th of January 2017, the Commission for the Protection of Competition (hereinafter the “Commission”) received a notification of a proposed concentration by KETER GROUP BV (hereinafter “KETER”), in accordance with section 10 of the Control of Concentrations between Enterprises Law (Number 83(I)/2014) (hereinafter the “Law”). The notification concerns the acquisition of the share capital of ABM Italia S.p.A. (hereinafter “ABM”) by KETER through its subsidiary Corona Plastic (2016) S.r.L. (hereinafter “Corona Plastic”).

Corona Plastic is a company duly registered under the laws of Italy and it’s a subsidiary of Keter Group BV. The said company is a vehicle which was established for the purposes of the implementation of the proposed concentration.

KETER is a company duly registered under the laws of the Netherlands and the holding company of KETER Group. The activities of the said company are related to design,

manufacture and sale of resin-based household consumer products in the field of indoor and outdoor furniture, home and storage products, DIY products, gardening, pet care products and toys.

BC Partners is a private equity firm with headquarters in London and specializes in buyouts mainly in Europe and South America. BC Partners consults BC funds which invest in various fields of the market, including restaurants, trips, TV, agriculture, retail sales, medicines, publications, satellite communications, financial information, professional services, insurance and factory construction.

ABM Italia S.p.A. is a company duly registered under the laws of Italy. ABM is active in the design, manufacture and supply of resin-based products, for home organization focusing on internal storage solutions and in a smaller scale on housewares which are sold under the KiS brand. Moreover, the said company is active in the field of medicine with the production and supply of disposable resin cartridges for sharp and specific hospital waste and through its subsidiary, Plastitecnica, it provides injection molding services to third parties. ABM Italia S.p.A., additionally, owns a small workwear clothing line in Italy under the trade name Dblade.

The transaction is based on a Share Purchase Agreement, dated 5/12/2016 (hereinafter the «Agreement»), the purpose of which, is the acquisition of the 100% of the share capital of ABM by Corona Plastic.

The Commission, taking into account the above facts and events concerning this concentration has concluded that this transaction constitutes a concentration within the meaning of section 6(I)(a)(ii) of the Law, since it leads to a permanent change of control of the target company and KETER, through its subsidiary Corona Plastic will acquire the sole control of ABM.

Furthermore, based on the information contained in the notification, the Commission found that the criteria set by section 3(2)(α) of the Law were satisfied and therefore the notified transaction was of major importance under the Law.

The Commission for the purposes of evaluating this concentration defined the relevant product/service market as follows: (a) the supply of home organization solutions, (b) the production of household furniture solutions organization through contract manufacturing. The relevant geographic market for these product markets is defined as the territory of Cyprus.

According to the notification, there is a horizontal overlap in the activities of the companies regarding the supply of home organization solutions in Cyprus. In relation to the production

of household furniture solutions organization through contract manufacturing, there is no overlap in Cyprus.

The Commission found that the market shares of KETER and ABM were 5-10% and 5-10% respectively. The combined market share of the companies concerned, in relation to the supply of home organization solutions in Cyprus, was about 10-20%.

Due to the marginal combined market share in relation to the supply of home organization solutions in Cyprus, which may create an affected market based on Annex I of the Law, the Commission proceeded with the evaluation of the compatibility criteria and concluded that since there is a large number of suppliers which may provide alternative solutions and the undertakings concerned do not seem to have a strong position in the market compared to their competitors, any increase of the demand for home organization solutions may be satisfied without any consequences. Additionally, there are no barriers to entry in the market and consumers are not significantly affected.

The Commission, on the basis of the factual and legal circumstances, unanimously decided that this concentration does not create or strengthen a dominant position, nor significantly impedes competition and therefore the concentration does not raise serious doubts as to its compatibility with the operation of the competition in the market.

To this end, 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.

Mrs Loukia Christodoulou

Chairman of the Commission for the Protection of Competition