



ΚΥΠΡΙΑΚΗ ΔΗΜΟΚΡΑΤΙΑ



ΕΠΙΤΡΟΠΗ ΠΡΟΣΤΑΣΙΑΣ
ΤΟΥ ΑΝΤΑΓΩΝΙΣΜΟΥ

Decision CPC: 37/2020

Case Number 8.13.020.19

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

Notification of concentration regarding the creation of Kition Ocean Holding Ltd by Prosperity Group CY Ltd and REM International (Cyprus) Ltd for the purpose of taking up a long-term exclusive right for the design, construction and financing of development projects, management, operation and maintenance of the Port and Marina of Larnaca, and the commercialization of real estate in the area

Commission for the Protection of Competition:

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

Date of decision: 15/9/2020

SUMMARY OF THE DECISION

The Commission for the Protection of Competition (hereinafter the “Commission”) received a notification with regard to a proposed concentration on behalf of Prosperity Group CY Ltd and REM International (Cyprus) Ltd. The notification was filed on 21/07/2020, in accordance with Section 10 of the Control of Concentrations between Enterprises Law 83(I)/14 (hereinafter the “Law”).

The notification concerns a concentration, according to which, Prosperity Group CY Ltd and REM International (Cyprus) Ltd., through Kition Ocean Holding Ltd (hereinafter «Kition»), will take up a long-term exclusive right for the design, construction and financing of development projects, management, operation and maintenance of the Port and Marina of Larnaca, and the commercialization of real estate in the area.

- Kition Ocean Holding Ltd is a company duly registered in accordance with the laws of the Cyprus Republic, which was established by Prosperity Group Cy Ltd and REM International (Cyprus) Ltd. The purpose for its establishment is to operate as a special purpose vehicle, in order, in the capacity of Concessionaire, to agree to a Concession

Agreement with the Government of the Republic of Cyprus, on the basis of which Kition will take over the Project Activities.

- Prosperity Group CY Ltd is a company duly registered in accordance with the laws of the Cyprus Republic and, among others, is active in conducting business of a holding company, investment company and real estate investments in Cyprus, through subsidiaries. Prosperity Group CY Ltd is owned by Alexandrou Corporate Services Ltd, which is licensed by the Cyprus Securities and Exchange Commission and was established to undertake or provide administrative services.
- REM International (Cyprus) Ltd is a company duly registered in accordance with the laws of the Cyprus Republic. REM International (Cyprus) Ltd is a holding company.
- Eldeman was established to manage, operate and promote businesses and companies as well as to participate in investments including land development, as well as in investments and development of large-scale mixed real estate, fashion brands, Media Channels, airlines, Marina and a port in Israel.
- The target in this concentration is the Port and Marina of Larnaca. The Port is managed by the Cyprus Ports Authority and other government services. The Port is for multipurpose use and serves all types of cargo from bulk to conventional while providing services relating to the port, including the maintenance of safe access to the port from sea, navigation, navigation aids, towing, provision of cargo handling services (including the receipt and delivery of goods) and facilitating / management of transit trade, facilitating the provision by third parties of essential services for ships in the port and other services relating to the sea. The Larnaca Marina is located south of the Port of Larnaca and is protected by a large southern breakwater and includes a pier coming from the beach of Finikoudes.

The commercialization of real estate in the area will include seaside villas and apartments as well as offices / shops / restaurants, hotel units, an academic center and parking spaces in the Marina area.

The concentration is based on Concession Agreement for the RE-DEVELOPMENT OF THE LARNACA PORT AND MARINA AREA Contract No MTCW/LCA1/2019 between the Cyprus Government and Kition (hereinafter the “Concession Agreement”) for the re-development of the Larnaca port and marina area. This Agreement is valid for 40 years for the Port/Marina and 125 years for the Property area.

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 it leads to 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 market in this case was defined as the market of (a) the management and provision of port (maritime) services in the ports of Limassol and Larnaca, (b) the management of a multi-purpose terminal (general cargo, passengers, etc.) in the ports of Limassol and Larnaca, (c) the management and provision of container services - stacking services in the ports of Limassol and Larnaca, (d) the management and provision of marina services in the marinas of Limassol, St Raphael and Larnaca, (e) the development and sale of luxury real estate in the marinas of Limassol, St Raphael and Larnaca; and (f) the management and operation of five-star hotel units and boutique hotels in the marinas of St Raphael and Larnaca.

The Commission noted that the proposed transaction will not give rise to competition concerns, as there are neither horizontal nor vertical overlaps in the relevant markets.

The Commission concluded that, on the basis of Annex I of the Law, the proposed merger will not give rise to any affected markets. In addition, there are no other markets which the notified concentration may have significant impact.

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 functioning 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 functioning of competition in the market.

Loukia Christodoulou

Chairperson of the

Commission for the Protection of Competition