

THE CONTROL OF CONCENTRATIONS

BETWEEN ENTERPRISES LAWS OF 1999 - 2000

Notification of concentration regarding the creation of the joint venture by the companies P.M.Tseriotis Ltd και Tryfon Distributors (1988) Ltd

Commission for the Protection of Competition:

Mrs. Loukia Christodoulou	Chairperson
Mr. Leontios Vryonides,	Member
Mrs. Eleni Karaoli,	Member
Mr. Kostas Melanides	Member

Date of decision: 10 August 2012

SUMMARY OF THE DECISION

On 13th of July 2012, the Commission for the Protection of Competition (hereinafter the « Commission») received a notification of a proposed concentration concerning the creation of a joint venture by the companies P.M.Tseriotis Ltd (hereinafter the «Tseriotis») και Tryfon Distributors (1988) Ltd (hereinafter the «Tryfon»), in accordance with section 13 of the Control of Concentrations between Enterprises Law (Number 22(I)/99) (hereinafter the «Law»).

The P.M.Tseriotis Ltd is a private limited liability company, duly registered in the Republic of Cyprus. This company is active mainly in the provision of services and investment management and real estate. The company Consumer Goods Tseriotis Ltd is a subsidiary of Tseriotis and operates in the importation, sale and distribution of consumer products in the Cypriot market.

The Distributors Tryfon (1988) Ltd is a private limited liability company, duly registered in the Republic of Cyprus. The company is active mainly in the importation, sale and distribution of consumer goods, especially foodstuffs, in the Cypriot market.

The transaction is based on a joint venture agreement (hereinafter the «Agreement») dated 8 July 2012 between Tseriotis and Tryfon. According to the Agreement, the above mentioned companies agreed to create a new joint venture that will operate in the area of sales, marketing and distribution of products that both companies sell.

The Commission, taking into account the facts and events concerning this concentration has concluded that this transaction constitutes a concentration within the meaning of section 4 (1) (c) of the Law, since it results in the creation of a joint venture that permanently carries out all the functions of an autonomous economic entity, as defined in the Law.

Furthermore, based on the information contained in the notification, the Commission finds that the criteria set by section 3 (2) (a) of the Law are satisfied and therefore the notified concentration is of major importance under the Law. According to the notification, the aggregate turnover achieved by Tseriotis and Tryfon exceeds, in relation to each one of them 3.417.203 euro. Both Tseriotis and Tryfon are active in Cyprus and their turnover exceeds 3.417.203 euro.

For the purposes of evaluating this concentration, the Commission examined the activities of the parties that will be transferred to the joint venture.

The relevant product markets in the present case were defined as the 1) import and wholesale of canned food products, 2) import and wholesale of pasta, 3) import and wholesale of pasta sauces, 4) import and wholesale of confectionary products, 5) import and wholesale of food supplements, 6) import and wholesale of snacks, 7) import and wholesale of pet food, 8) import and wholesale of packed meat, 9) import and wholesale of butter, 10) import and wholesale of cheese, 11) import and wholesale of frozen vegetables, 12) import and wholesale of frozen pastry, 13) import and wholesale of frozen pastry ready-made products, 14) import and wholesale of frozen fish, 15) import and wholesale of frozen pasta, 16) import and wholesale of products for the entertainment industry, 17) import and wholesale of biscuits, 18) import and wholesale of cereal, 19) import and wholesale of rice, 20) import and wholesale of organic products, 21) import and wholesale of rice milk, 22) import and wholesale of chocolate, 23) import and wholesale of tea, 24) import and wholesale of pet accessories, 25) import and wholesale of frozen meat, and 26) import and wholesale of frozen legumes.

The Commission noted that the relevant geographic market could be considered national because the parties are involved in the relevant product markets within the Republic, under similar conditions.

The concentration does not create any affected markets as determined in Annex I of the Law as there is no horizontal or vertical relationship between the activities that will be transferred to the joint enterprise and the parent companies.

The Commission, in the view 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 in this concentration there is no issue of creating or strengthening of 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.

Loukia Christodoulou

Chairperson of the Commission for the Protection of Competition