

## **OFFICE FOR COMPETITION**

21<sup>st</sup> April 2017

### **COMP-MCCAA/9/2017- Joint Venture between Marlow and Schoeller Group**

#### **Decision on acquisition in terms of Regulations 6 (1) (ii) and 12(4) of the Control of Concentrations Regulations (LN 294 of 2002 as subsequently amended)**

The Office for Competition,

Having considered the notification dated 24 March 2017 pursuant to Regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations

#### **Facts**

1. On the 24 March 2017, the Marlow Group and the Schoeller Group (hereinafter collectively referred to as “the Notifying Parties”) notified the Office for Competition (hereinafter referred to as “the Office”) with a Term Sheet Agreement (hereinafter referred to as “the Agreement”) dated 7 March 2017, whereby the Notifying Parties intend to integrate their shipping-related activities via three jointly controlled holding companies (hereinafter referred to as “the Transaction”).
2. The notification was filed on the 24 March 2017 and accepted as a complete notification on the 29 March 2017 and was notified to the public through a notice that appeared in a daily newspaper on 4 April 2017 and a notice that appeared in the Government Gazette No. 19,753 on 4 April 2017.

#### **Parties**

3. i. The Notifying Parties are global maritime service providers specialising in ship management services. The Marlow Group (Limassol, Cyprus) is active in ship management industry through the operations of Marlow Navigation Co.Ltd, established in 1982. It is a global maritime service provider, specialising in the outsourced crew management and technical management services of high value maritime assets. It is also a ship-owner which leases its vessels to third-party charters.
- ii. The Schoeller Group (Limassol, Cyprus) is active in the ship management industry through the operations of CSM, established in 1978. It specialises in full management services and in

particular technical and crew management of third parties' maritime assets. It also participates in the ship-owning industry as an owner of vessels.

4. In Malta, the Marlow Group is active in relation to crew management, which is part of its ship management services while, the Schoeller Group is active in ship management and to a very limited extent in ship owning.

#### **Transaction**

5. Pursuant to the Agreement, signed on 7 March 2017, the Marlow Group and the Schoeller Group will integrate part of their activities, in relation to shipping. As part of the Transaction, three jointly controlled holding companies will be set up and together referred to as the "JV Parents". The JV Parents will be responsible for the determination of the overall strategy and management of the businesses transferred to them.
6. ✂
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8. Completion of the concentration is conditional upon a number of conditions, including *inter alia*, approval of the said transaction by the Office for Competition in Malta within the Malta Competition and Consumer Affairs Authority.

#### **Notifiable Concentration**

9. The proposed transaction brings about the acquisition of joint control by the Notifying Parties of a fully functioning joint venture within the meaning of regulation 2(ii) of the Regulations.
10. The Office considers that the proposed transaction constitutes a concentration within the meaning of Regulation 2 of the Regulations.

#### **Threshold for Notification**

11. The aggregate turnover of the undertakings concerned in the preceding financial year exceeds €2,329,373.40 and each of the parties concerned had a turnover in Malta equivalent to at least 10% of the combined aggregate turnover of the undertakings concerned.
12. The notified concentration, therefore, meets the notification threshold as set out in Regulation 2 of the Regulations.

### **Simplified Procedure**

13. Following the examination of the notification, it is considered that the notified concentration falls within the scope of Regulation 12(1) of the Regulations, whereby it is provided that:

*“The simplified procedure will apply to the following categories of concentrations that are deemed not to raise serious doubts as to their legality in terms of the provisions of these regulations...*

*ii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking, provided that none of the parties to the concentration are engaged in business activities in the same product or geographical market, or in a product market which is upstream or downstream of a product market in which any other party to the concentration is engaged”.*

### **Conclusion**

In view of the above and in terms of Regulations 6 (1) (ii) and 12 (4) of the Regulations, it is therefore decided:

- (1) that the Concentration falls within the scope of the Regulations on Control of Concentrations;
- (2) that the Concentration does not raise serious doubts as to its lawfulness;
- (3) not to oppose the notified Concentration and to declare it a lawful Concentration.



**Godwin Mangion**  
Director General

