

OFFICE FOR COMPETITION

24 October 2019

COMP-MCCA/18/2019- Acquisition of Velprint Ltd by Giov. Muscat Co Ltd

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 filed on 1 October 2019 pursuant to Regulation 5 of the Control of Concentrations Regulations,

Having considered the provisions of the Control of Concentrations Regulations,

Having considered Commission Notice on a simplified procedure for treatment of certain concentrations under Regulation (EC) No 139/2004

Facts

1. On 1 October 2019, the Office for Competition received a notification of a proposed acquisition pursuant to Regulation 5 of the Control of Concentrations Regulations (hereinafter referred to as “the Regulations”), whereby Giov. Muscat Co Ltd (hereinafter referred to as “the Notifying Party”) will acquire sole control of Velprint Ltd (hereinafter referred to as “the Acquired Party”).
2. The proposed acquisition was notified to the public through a notice that appeared in a daily newspaper and on the Malta Competition and Consumer Affairs Authority’s website on 10 October 2019 and a notice that appeared in the Government Gazette No.20,278 on 11 October 2019. No third-party objections were received.

Parties

3. Giov. Muscat Co Ltd, having registration number C464 with registered address at 31A, Triq it-Tigrija, Marsa currently focuses on the importation, sale and

distribution of high-quality stationary brands and tailored rubber stamps. The Notifying Party is also active in the printing sector through its fully owned subsidiary Europrint Limited, which is equipped with offset and digital machinery, mainly exclusively concerned with offset printing of large quantities for industrial clients.

4. Velprint Ltd, having registration number C8445 with registered address at BLB 12, Bulebel Industrial Estate, Żejtun, offers both digital printing offset and offset printing and pre-press services. The Acquired Party mainly carries out digital pre-press and printing services used to print smaller volume printing orders and those requiring faster turnaround times.

Transaction

5. Pursuant to a Share Purchase Agreement, the Notifying Party proposes to acquire the entire issued share capital of the Acquired Party.

Notifiable Concentration

6. In terms of regulation 2 of the Control of Concentrations Regulations, a concentration refers to the acquisition by one or more undertakings or by one or more persons already controlling at least one undertaking whether by purchase of securities or assets, by contract or by other means, of direct or indirect control of the whole or parts of one or more undertakings.
7. The proposed transaction brings about the acquisition by the Notifying Party of control on the Acquired Party in the form of shares.
8. Therefore, the proposed transaction constitutes a concentration within the meaning of regulation 2 of the Control of Concentrations Regulations.

Threshold for Notification

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

Simplified Procedure

11. 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...:

iii) two or more undertakings merge, or one or more undertakings acquire sole or joint control of another undertaking and two or more of the parties to the concentration are engaged in business activities either in the same product and geographical market and their combined market share is less than 15% or in a product market which is upstream or downstream of a product market in which any other party to the concentration is engaged and their combined market share is less than 25%.”.

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