

# Mergers: Commission approves the acquisition of joint control of Andromeda, Nireus and Selonda by Amerra and Mubadala, subject to conditions

Andromeda, Nireus and Selonda, all three based in Greece, are active in aquaculture, notably of seabream and seabass. They also produce seabream and seabass fry, which are very small fish that are raised in hatcheries before reaching a size when they can be moved to enclosures in the open sea.

Under the proposed acquisition, the three companies would be acquired by two investment firms: Amerra, based in the US, and Mubadala, based in the United Arab Emirates.

## **The Commission's investigation**

The Commission examined the effects of the proposed transaction on competition in the following markets, where the activities of Andromeda, Nireus and Selonda overlap: (i) the production and the supply of **Mediterranean farmed fish** (i.e. seabream and seabass) and (ii) the production and the supply of **Mediterranean seabream and seabass fry**.

As regards **the production and supply of Mediterranean farmed fish**, the companies have been competing closely, and the proposed transaction would create the largest European producer of Mediterranean seabream and seabass. The Commission found that, after the proposed transaction, the companies would have strong market positions in Greece, Italy, Portugal and in the European Economic Area (EEA) as a whole.

As regards **the production and supply of Mediterranean seabream and seabass fry**, the Commission found that, after the proposed transaction, the companies would have strong market positions in Greece and in the EEA as a whole. In addition, the Commission found that, after the proposed transaction, the companies would have been the only fry producer with a research and breeding programme for both seabream and seabass. Research and breeding programmes are important tools to lower costs of farming fish and improve fish quality.

As a result, the Commission was concerned that the transaction as notified could have led to higher prices for customers of Mediterranean farmed fish, as well as of seabream and seabass fry.

## **The proposed remedies**

To address the Commission's concerns, the companies offered the following commitments:

- **The divestiture of fish farms** that produce 10,000 tonnes of Mediterranean fish, together with packaging facilities for this with the same capacity
- The divestiture of **hatcheries** that produce 50 million pieces of fry and the transfer of the know-how in research and breeding programmes of Nireus and Selonda to the purchaser.

These commitments fully address the Commission's concerns in the supply of farmed Mediterranean fish and Mediterranean fry and ensure that the divestment business will be a viable competitor to the merged entity.

Therefore, the Commission concluded that the proposed transaction, as modified by the commitments, **would no longer raise competition concerns in Greece, Italy, Portugal and in the EEA**. The decision is conditional upon full compliance with the commitments.

## **Merger control rules**

The transaction was notified to the Commission on 18 December 2018.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

More information on this case is available on the Commission's [competition](#) website, in the public [case register](#) under the case number [M.9110](#).