

SPANISH COMPETITION

Highlights ...

Weekly follow-up: 29 Jan – 2 Feb.

The CNMC initiates sanctioning proceedings against Naviera Armas for breaching with the commitments

The National Competition Authority (“**CNMC**”) has initiated disciplinary proceedings against Bahía de las Isletas, S.L., parent company of the Naviera Armas group, for allegedly breaching the commitments it assumed in 2018 before the CNMC when it acquired Trasmediterránea.

The merger file approved with commitments

In February 2018, Naviera Armas notified to the CNMC the merger consisting of the sole control acquisition of Trasmediterránea.

The operation created a monopoly in the maritime traffic on the route between the mainland and the Canary Islands. In addition, on the routes between the south of the mainland and Melilla and the inter-island routes between the Canary Islands, it created risks for competition in the maritime transport of cargo and passengers, as a relevant competitor would disappear.

The commitments submitted by Naviera Armas in order to solve these problems, allowing a third company, Förde Reederei Seetouristik GmbH & Co. (“**FRS**”), to start providing maritime transport services for passengers and cargo on the routes where Naviera Armas was present.

For that purpose, Naviera Armas and FRS were expected to sign three-year charter contracts and a series of obligations allowing FRS to operate effectively on these routes.

The CNMC authorised the transaction in May 2018, in the first phase with commitments.

Infringement of the commitments

The CNMC has declared that Naviera Armas has failed to comply with part of the commitments accepted in 2018 and has initiated disciplinary proceedings. Once the CNMC publishes the resolution, the specific commitments infringed will be known.