



Press release on decision n°2020-CC-02 of January 05, 2021

By decision n°2020-CC-02 of December 10, 2020, the Polynesian Competition Authority authorized the joint acquisition of the Dubreuil Aéro group by CMA CGM and the Dubreuil group.

The **Dubreuil group** is a family group whose activity is concentrated in seven businesses: automotive, aviation, construction equipment, agricultural machinery, energy, heavy goods vehicles and hotels. This group is only active in French Polynesia through the **Dubreuil Aéro Group (GDA)**, whose main activity is passenger air transport, operated through three airlines: Air Caraïbes, Air Caraïbes Atlantique and French Bee (serving French Polynesia).

The **CMA CGM group** is mainly active in the liner shipping container sector.

The merger operation analyzed consists of the entry of the CMA CGM group into the capital of the GDA. It therefore involves the transformation of exclusive control of GDA by the Dubreuil Group into joint control by the Dubreuil Group and CMA CGM.

This operation concerns various transport sectors: GDA has both passenger air transport and air freight activities; CMA CGM has maritime freight, logistics and transport organization activities.

Horizontal effects must be assessed taking into account the competition between the different companies involved. As the parties are not present on the same markets, there is no overlap between their different activities.. By nature, the transaction cannot have anticompetitive effects at an horizontal level.

However, mergers may sometimes have anti-competitive effects through vertical effects (i.e. at different levels of the production and supply chain) or conglomerate effects (i.e. in relationships outside the same relevant market and outside vertical relationships). However, as underlined by the European Guidelines for the assessment of non-horizontal mergers (OJ of the EU, 18-10-2008): “Non-horizontal mergers are generally less likely to create competition issues than horizontal mergers” (Point 11). This results from the fact that non-horizontal mergers 1) do not lead to the elimination of direct competitors in the same relevant market and 2) often result in substantial efficiency gains.

With regard to **vertical effects**, there is a link between the activity of CMA CGM in the market for the organization of freight transport and the activity of GDA in the market for air freight transport. However, in view of GDA's very low market power, it appears unlikely that that this market power could be significantly increased to the point of providing an opportunity for market foreclosure in any way. The notified operation is not likely to harm competition through vertical effects.

Finally, with regard to **conglomerate effects**, while all of the foreclosure scenarios have been considered, the Autorité considered that their implementation seemed unlikely given the current market situation. The operation is not likely to harm competition through conglomerate effects.

As the operation is not likely to affect competition, neither through horizontal effects, nor through vertical or conglomerate effects, the Authority has therefore authorized this merger.