

The CNMC initiates infringement proceedings against Naviera Armas

- In May 2018, the CNMC authorised the acquisition of Trasmediterránea by Naviera Armas subject to commitments.
- These commitments allowed a third company (FRS) to start operating on the routes where Naviera Armas was present.
- The company has allegedly failed to comply with some of the commitments submitted.

Madrid, 30 January 2024.- The National Markets and Competition Commission (CNMC) has initiated infringement proceedings (<u>SNC/DC/083/23</u>) against Bahía de las Isletas S.L., the parent company of the Naviera Armas group, for allegedly failing to comply with the commitments made when it acquired Transmediterránea in 2018 (<u>C-0922/18, press release</u>).

The transaction created a monopoly in maritime passenger traffic on the route between the mainland and the Canary Islands. It also posed risks for competition in maritime transport of cargo and passengers on the routes between the south of the mainland and Melilla and the inter-island routes between the Canary Islands, as a relevant competitor was removed.

Breach of commitments

The commitments submitted by Naviera Armas solved these competition concerns: they allowed a third company (FRS) to start providing maritime transport services for passengers and cargo on the routes where Naviera Armas was present (Motril-Melilla and Huelva-Canarias, a circular route which allowed it to provide inter-island traffic).

To this end, Naviera Armas and FRS were to sign three-year charter contracts (extendable by one year), and a series of obligations which would allow FRS to operate efficiently on these routes: transfer of the use of berths, ticketing system, refraining from using the brand name and communication to customers. In addition, to ensure the effectiveness of the contracts, these included clauses that required reporting to the CNMC and prevented changes to the conditions without prior authorisation.

On 13 September 2023, the CNMC declared that Naviera Armas had failed to comply with some of the commitments accepted in 2018.

The initiation of these proceedings does not prejudge the final outcome of the investigation. The CNMC now has a time limit of three months to investigate and decide on the case.





Related content:

- <u>SNC/DC/083/23</u>
- VC/0922/18: Naviera Armas/Transmediterránea
- <u>C-0922/18</u>: Naviera Armas/Transmediterránea
- <u>Press release</u> (23/05/2018): The CNMC approves the acquisition of Trasmediterránea by Naviera Armas subject to commitments
- Blog (25/04/2017): At the CNMC we monitor mergers between companies

For further information Tel.+34 91 787 22 04 prensa@cnmc.es

