

The CNMC examines the Smurfit Bulgaria/Artemis BiB merger in Phase II of the merger control procedure

- Smurfit Bulgaria (a subsidiary of the Irish multinational group Smurfit Kappa) has notified the acquisition of sole control of the bag-in-box business unit of the Bulgarian company Artemis Ood (Artemis BiB).
- The CNMC will carry out an in-depth analysis of the transaction, as it poses risks to competition.

Madrid, 23 February 2024.- The National Markets and Competition Commission (CNMC) has agreed, on 31 January 2024, to initiate the second phase of the analysis of the Smurfit Bulgaria/Artemis BiB merger ([C/1424/23](#)).

The merger operation consists of the acquisition of sole control of the *bag-in-box*¹ (business unit) of the Bulgarian company Artemis by Smurfit Bulgaria, which belongs to the Smurfit Kappa.

Risks to competition

The operation gives rise to significant horizontal overlaps in the market for the manufacture and supply of non-aseptic food-grade bag-in-box packaging with a capacity of less than 25 litres, both in Spain and in the European Economic Area (EEA). This leads to a significant increase in the degree of concentration in the market by strengthening the leading position already held by the Smurfit Kappa group.

The market investigation conducted during the first phase of the merger control procedure showed that in this market, competitors do not have sufficient capacity to exert competitive pressure on the merged entity. Moreover, the demand side of the market has little to no ability to negotiate or influence prices, due to its high fragmentation.

This market has no significant barriers to entry for new competitors. However, the investigation seems to show a trend towards a progressive exit or loss of relative importance in the European market of some relevant competitors.

In-depth analysis

In view of the above, the CNMC has agreed to carry out a second phase analysis of the transaction. This step does not prejudice the final conclusions that the CNMC may reach in relation to the Smurfit Bulgaria/Artemis BiB merger.

¹ Concerning the part of the business engaged in (i) the manufacture and marketing of plastic bag-in-box bags and (ii) flexible plastic films or sheets.

During this second phase, the CNMC may request further information from different operators in the affected markets. In addition, the notifying parties and interested third parties may submit arguments in defence of their legitimate interests.

The final decision adopted by the CNMC may authorise, impose commitments or conditions, or prohibit the Smurfit Bulgaria/Artemis BiB merger operation.

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