



Decision

Proposed acquisition of a majority share in by
Condor Topco Limited by B.A.I. Bretagne
Angleterre Irlande (C-071)

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Jersey Competition Regulatory Authority
2nd Floor Salisbury House, 1-9 Union Street,
St Helier,
Jersey, JE2 3RF
Tel 01534 514990
Web: www.jcra.je

1. Summary

1.1 B.A.I Bretagne Angleterre Irlande (the **Purchaser**) is proposing to acquire 22% of the share capital of Condor Topco Limited (the **Target**) from CTI Holdco Limited (the **Seller**), which will give it a majority share of 51%. Further, the Purchaser has an option to acquire up to 100% of the issued share capital of the Target, at a later date, in certain defined circumstances (the **Proposed Transaction**).

1.2 The Proposed Transaction was notified to the Jersey Competition Regulatory Authority (the **Authority**) for approval pursuant to Article 21 of the Competition (Jersey) Law 2005 (the **Law**). The Authority has determined the Proposed Transaction will not lead to a substantial lessening of competition in any relevant market and hereby approves the notified transaction.

2. The Application

2.1 On 7 August 2024, the Authority received an application in respect of the Proposed Transaction. The application, submitted on a joint basis by the Purchaser and the Seller (together, the **Parties**), has been progressed in accordance with the Authority's Guidelines on Merger and Acquisitions¹.

2.2 A Notice of Application in respect of the Proposed Transaction was published on the Authority's website. The Proposed Transaction was also listed on the Jersey Gazette and has been the subject of various news reports.²

2.3 The Notice of Application initiated a 10-day public consultation which closed on 20 August 2024 with six responses being received. These responses, summarised at Section 7, have been taken into account by the Authority when making its decision.

3. The Parties

The Purchaser

3.1 B.A.I Bretagne Angleterre Irlande is a société anonyme à directoire et conseil de surveillance organised under the laws of France with registered number 927 250 217 RCS Brest and whose registered office is at Port de Bloscon – 29680 Roscoff, France. The Purchasers ultimate parent entity is Société D'Initiatives et de Cooperation Agricoles (**SICA**) established under the laws of France with registration number 926 150 129.

¹ [Guideline 8 - Mergers and Acquisitions](#)

² For example see: [Brittany Ferries hoping to buy Condor shares \(BBC News\)](#), [Brittany Ferries announces bid to become majority Condor shareholder \(Jersey Evening Post\)](#).

3.2 The Purchaser was founded in 1972, is the leading maritime carrier on the Western and Central Channel and is active in maritime transport of freight and passengers. The Purchaser's fleet covers is composed of 12 vessels operating 13 maritime routes connecting France, the UK, Ireland and Spain. The Purchaser's ultimate parent entity, SICA, is an agricultural co-operative which brings together vegetable producers and horticulturists from 650 participating farms in the North Finistere coast.³

3.3 The Purchaser holds a 28.931% in the Target and does not have a decisive influence⁴ over the Target (see below). Aside from this, neither the Purchaser nor its parent are active in Jersey or operates any other freight or passenger services to or from Jersey.

The Seller

3.4 CTI Holdco Limited is a company incorporated in Guernsey with registered number 67011 and whose registered office is at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA.

3.5 The Seller is a holding company. The ultimate parent entity of the Seller is Stichting SV CTESIF (RSIN. 862559649) which owns 100% of Sackville (**CTESIF**) GP S.à.r.l (Lux Co. No. B229051), the General Partner for the Columbia Threadneedle ESIF Master Vehicle SCSp (Master Fund) (Lux Co. No. B229126).

3.6 The Master Fund operating through its General Partner, CTESIF, aims to generate income and achieve capital growth by making and managing investments in a wide variety of infrastructure and infrastructure related investments primarily located in European OECD countries.

The Target

3.7 Condor Topco Limited is a non-cellular company limited by shares incorporated under the laws of Guernsey with registered number 67012 and whose registered office is at BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey GY1 1WA. It is a joint venture vehicle in which 71.069% of the issued share capital is held by the Seller and 28.931% of the issued share capital is held by the Purchaser. The Target is governed by a shareholders' agreement dated 12 November 2019 between the Parties and Columbia Threadneedle European Sustainable Infrastructure Fund.

3.8 The Target, through its subsidiaries, is engaged in operating ferry transport services for various freight, passenger and car markets of Jersey, Guernsey, the United Kingdom and France under the Condor Ferries brand. This operation is currently party to an operating agreement with the

³ Further details relating to SICA can be found here: <https://www.sicastpol.fr/>

⁴ As defined in [Guideline 8 - Mergers and Acquisitions](#)

Harbour Master of Jersey that expires on 27 March 2025 and a memorandum of understanding with States of Guernsey that expires on 31 December 2024. The provision of future ferry services is currently open to tender, with the process being run by the States of Guernsey and the Government of Jersey.

Reasons for the Proposed Transaction

3.9 The Parties submit the Proposed Transaction will serve to facilitate success in the aforementioned tender process. In particular, it will facilitate the Purchaser taking advantage of the resulting synergies between the Target and its existing business to deliver a strategically robust and economically efficient service. It will also enable the Purchaser to bring its considerable expertise as a leading maritime carrier on the western and central Channel to bear in respect of the operation of the Target.

4. Requirement for Authority approval

4.1 Under Article 2(1)(b) of the Competition (Jersey) Law 2005, a merger or acquisition (referred to in this decision as a **merger**) occurs where a person who controls an undertaking acquires direct or indirect control of the whole or part of another undertaking. According to Article 20(1) of the Law, a person must not execute certain mergers or acquisitions except and in accordance with the approval of the Authority.

4.2 The Proposed Transaction will result in the Purchaser obtaining of a majority interest (51%) of Target, with option to acquire up to 100% of the issued share capital of the Target, at a later date, in certain defined circumstances. This change of control constitutes a merger as defined by the Law.

4.3 Article 4 of the Competition (Mergers and Acquisitions) (Jersey) Order 2010, where one party has a share of supply or purchase of 40% or more, will require prior approval, unless it qualifies for either one of the two exemptions to Article 4, contained in Articles 4(a) and 4(b).⁵

4.4 According to the information provided by the Parties, the Target's share of supply of the passenger ferry and freight services through its subsidiaries, exceeds the 40% threshold for the supply of

⁵ The two exemptions are:

(a) the undertaking or undertakings being acquired has or have no existing share of the supply or purchase of goods or services of any description supplied to or purchased by persons in Jersey and otherwise owns or controls no tangible or intangible assets located in Jersey; or

(b) as regards the seller only, the 40% share of supply or purchase is not subject to the proposed merger or acquisition and provided that any non-competition, non-solicitation or confidentiality clauses included therein do not exceed a period of three years and are strictly limited to the products and services supplied by the undertaking being acquired.

services to persons in Jersey and neither of the two exemptions apply. Therefore, the Proposed Transaction requires the approval of the Authority prior to its execution.

5. Market definition

5.1 Under Article 22(4) of the Law, the Authority must determine if the merger would substantially lessen competition in Jersey or in any part of Jersey. As an initial step, the Authority will identify the markets which are likely to be affected by the merger since market definition provides a framework within which the competitive effects of a merger can be assessed.

5.2 When defining a market, the Authority may take note of its own previous decision-making practice and/or market definitions applied by other competition authorities. These previous decisions are not precedents and are not binding, either on the merging Parties or on the Authority. Competition conditions may change over time, changing the market definition, and market definition will always depend on the prevailing facts.⁶

Views of the Parties

5.3 The Parties consider the relevant economic markets for the purposes of assessing the competition effects of the Proposed Transaction are:

- Freight routes: Jersey and United Kingdom, Jersey and France; Jersey and Guernsey, with a distinction noted between roll on/roll off (**RoRo**) and lift-on/lift-off (**LoLo**); and
- Passenger and non freight vehicle routes; Jersey and United Kingdom; Jersey and France; and Jersey and Guernsey.

5.4 The Parties consider the market for passenger routes between Jersey and the United Kingdom may be wider than the provision of ferry services, also encompassing air travel between Jersey and certain airports in the south of the UK.

5.5 The Parties note that in Decision M1485J, in 2020, in which the Authority considered the acquisition of the Target Business by the Parties, the precise product market definition was left open. This was because the transaction would not give rise to a substantial lessening of competition on any reasonable basis.

⁶ This approach is consistent with that taken under EU law – see, for example, Joined Cases T-125/97 and T-127/97 [2000] ECR II-01733, paragraphs 81-82. Article 60 of the Law requires the Authority to attempt to ensure that so far as possible questions arising in relation to competition are dealt with in a manner that is consistent with the treatment of corresponding questions arising under European Union law in relation to competition within the European Union.

Authority consideration

5.6 In respect of the provision of freight services, the European Commission (**Commission**) has previously considered whether the provision of short-sea Ro-Ro shipping services constitutes a distinct product market or whether that market should be expanded to include Lo-Lo shipping services and/or transport of freight by air and/or land.⁷ The Commission's view leaned towards a segmentation between Ro-Ro and Lo-Lo shipping, but ultimately the market definition was left open in the absence of competition concerns.

5.7 The approach proposed by the Parties is broadly consistent with that of the Commission and the approach adopted in Decision M1485J, in 2020. Therefore, consistent with this, the precise market definition can be left open as, for the reasons outlined below, the Proposed Transaction would not result in a substantial lessening of competition in Jersey on any market considered.

6. Effect on Competition

6.1 In order to assess the impact of a non-horizontal merger on competition in Jersey, the Authority will consider whether the merger creates or enhances the ability or incentive to exercise market power, either unilaterally or in co-ordination with competitors, and whether other market forces (such as the entry of new competitors or countervailing power of customers) will eliminate this risk. The assessment will also consider any pro-competitive effects or efficiencies that may result from the merger.⁸

Views of the Parties

6.2 The Parties note there is no horizontal overlap or a vertical supply relationship between the Parties, and given that the services provided in Jersey will not be changing, the Parties view is the Proposed Transaction will not substantially lessen (or indeed lessen at all) competition in Jersey or any part of Jersey.⁹

Authority consideration

6.3 Other than through the partial ownership of the Target, neither the Purchaser nor its parent is active in Jersey or operates any freight or passenger services to or from Jersey. Accordingly, the Authority does not consider any horizontal or vertical overlap exists between the Purchaser and the Target in Jersey.

⁷ Case No COMP/M.6305 – DFDS/C.RO PORTS/ÅLVSBORG, paragraphs 19-23

⁸ When assessing mergers, the Authority will have regard to the guidelines produced by the European Commission. It may also consider the substantive merger guidelines applied by the Competition and Markets Authority in the UK, as well as those of other competition authorities.

⁹ The parties also note that in Decision M1485J, vertical effects were considered in relation to stevedoring services in St Malo. This interest was sold in 2021 and there are no vertical effects to consider.

6.4 Note: the provision of ferry services is controlled by the States of Guernsey and the Government of Jersey Government of Jersey by way of a formal tender process. A tender process helps ensure competitive pricing and provides, during tender, the opportunity for competitors to bid to enter the market. A formal tender process, in both Guernsey and Jersey, is currently underway for services from 2025 onwards.

7. Third party views

7.1 During the consultation, the Authority received six responses to the notice of application. Of the responses received, one respondent was in favour of the Proposed Transaction, noting the potential for increased links between Jersey and France. Three of the six respondents posed no specific objections to the Proposed Transaction, however raised concerns regarding the quality of service providing by Condor, including frequency of sailings and availability of vessels. Of the two remaining responses received, one opposed the Proposed Transaction until such a time that the Purchaser was licenced under the Incorporation Law and the one opposed due to competition concerns. The responses are summarised below:

Date	Respondent	Response summary
9/08/24	Peter St George	The respondent supported the Proposed Transaction, noting its potential to increase traffic between France and Jersey and the additional benefit of the experience Brittany Ferries could bring to the operation of Condor.
14/08/24	John Heys	The respondent noted disappointment with Condor's current performance and vessels available. Given this the respondent supported the Proposed Transaction.
14/08/24	[Redacted]	The respondent has no objections to the Proposed Transaction, but wanted to ensure that any reduction in existing sailings and services be at the approval of the States of Jersey and published in the Jersey Evening Post prior to any approval.
15/08/24	Piers G H Baker	The respondent proposes that the Proposed Transaction should not be approved until such a time that the Purchaser is subject to certain provisions of the Air and Sea Ports (Incorporation) (Jersey) Law 2015 (the Incorporation Law) ¹⁰ including to provide lifeline services and to obtain a licence to provide those service from the Authority.
16/08/24	Stephen Peck	The respondent noted the increased cost of inter island travel and that prices had increased above the rate of inflation. It was also noted that it is not possible to book at day trip that would get you the full day (in Guernsey) with the current offerings.
19/09/24	[Redacted]	The respondent is against the Proposed Transaction, expressing the view that it presents the following " <i>significant competition concerns</i> "

¹⁰ [Air and Sea Ports \(Incorporation\) \(Jersey\) Law 2015 \(jerseylaw.ie\)](https://www.jerseylaw.ie)

		<p>as it involves a horizontal overlap in the Western Channel and is therefore not a simple “<i>change of control</i>” as suggested by the Parties. Instead the respondent claims the Proposed Transaction triggers significant conglomerate concerns in relation to “<i>the merged entity’s ability and incentive to leverage its near monopoly position in the Western Channel to both Channel Islands routes and routes involving a Channel Islands connection...</i>”. With particular regard to its conglomerate concerns, the respondent is of the view that the Proposed Transaction would give rise to a substantial lessening of competition for freight and shipping services in the ‘Western Channel’.</p>
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7.2 The Authority has considered each response when assessing the Proposed Transaction. When administering Article 21 of the Law, the Authority is required to consider the supply or purchase of goods or services supplied to or purchased from persons in Jersey to determine:

*“whether there is a material reduction in the level of competition, and the implications of that for consumers; the market power the merged business is likely to enjoy following the merger; and the degree to which any increase in concentration in the relevant market may strengthen the ability of the market’s remaining participants to coordinate pricing & output decisions.”*¹¹

7.3 With this in mind, matters such as the quality of service provided and range of available vessels sit outside of the Authority’s remit for consideration in relation to the Proposed Transaction.

7.4 The Authority has considered whether the Purchaser requires a licence, issued under the Incorporation Law, as proposed by one respondent. In doing so, it notes that the States of Jersey has not specified that the relevant markets, as defined in Section 5, as ‘lifeline services’ under Article 42(1) of the Incorporation Law. In the event the States of Jersey determine either of these markets a lifeline service, the Authority would give consideration to the requirement for a licence and for which entity (the Purchaser or the Target), taking into account the provisions of Article 43.

7.5 Considering the concern of one respondent that the Proposed Transaction would lead to a substantial lessening of competition, and is not a simple change of control as set out by the Parties. Taking this into account, the Authority notes the relevant market used by the respondent to reach this conclusion includes the ‘Western Channel’. The ‘Western Channel’, as defined by the Commission¹², consists of routes between ports on the south coast of England and ports on the north coast of France. The Western Channel excludes freight and passenger routes between Jersey and United Kingdom, Jersey and France; Jersey and Guernsey. Therefore competition concerns

¹¹ [Guideline 8 - Mergers and Acquisitions](#)

¹² In [Case M.2838 P&O Stena Line \(Holding\) Limited](#) and again used in [Case M.9673 Columbia Threadneedle Investment / Brittany Ferries / Condor](#).

regarding the Western Channel are outside of the Authority jurisdiction for consideration in relation to the Proposed Transaction.

7.6 With regard to the respondents “*change of control*” point, the Authority has considered the merger as non-horizontal merger which has been subject to the same assessment and scrutiny as with any other merger that is notified to it. This competitive assessment is set out at section 6 above.

Authority Conclusion

7.7 Following its competitive assessment, set out in Section 6, and taking into account all third party views, the Authority has determined the Proposed Transaction results in no change to the competitive structure of the market in Jersey as control changes from the Seller to the Purchaser. Given there is no other overlap of services provided in either of the relevant markets, the Authority has concluded the Proposed Transaction will not result in a substantial lessening of competition on any reasonable basis.

8. Decision

8.1 Based on the preceding analysis, the Authority concludes the Proposed Transaction will not substantially lessen competition in Jersey or any part of Jersey; and is therefore approved under Article 22(1) of the Law.

10 September 2024

By Order of the Jersey Competition Regulatory Authority