

DETERMINATION OF MERGER NOTIFICATION M/23/035 – BRIGHT MOTOR CITY/CERTAIN ASSETS OF GOWAN GROUP

Section 21 of the Competition Act 2002

Proposed acquisition by Brightstone Trading Limited, through its wholly owned subsidiary Bright Motor City Limited, of certain assets of Gowan Motor Retail Group Limited.

Dated: 30 August 2023

Introduction

1. On 28 July 2023, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission received a notification of a proposed acquisition whereby Brightstone Trading Limited (“BTL”; together with its subsidiaries the “BTL Group”), through its wholly owned subsidiary Bright Motor City Limited (“BMCL”), would acquire certain assets (the “Target Business”) of Gowan Motor Retail Group Limited (“GMRGL”) (BMCL and GMRGL together, the “Parties”) (the “Proposed Transaction”).

The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to an asset purchase agreement (“APA”) dated 16 June 2023 between GMRGL, BMCL and BTL.

The Undertakings Involved

The Acquirer – BTL

3. BMCL was incorporated in the State on 28 April 2023 and is a wholly-owned subsidiary of BTL. The BTL Group is principally involved in the following business activities: (i) the retail sale of new and demonstration *Ford-*, *Hyundai-*, *VW Commercial Vehicles-*, *Suzuki-*, *SEAT-*, *Cupra-* and *Citroën-*branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for the above brand-specific vehicles; and (ii) the retail sale of pre-owned passenger cars and pre-owned light commercial vehicles.

4. The BTL Group also has a very small presence at the wholesale level where it sells a very limited number of used vehicles to other dealers in circumstances where the BTL Group does not wish to sell a vehicle at the retail level due to age or high mileage. The BTL Group also sells a small quantity of *Citroën*-branded spare parts to other dealers.
5. The BTL Group operates eight car dealerships in counties Dublin and Wicklow through subsidiaries of the BTL Group:
 - i. Kitale Limited, trading as Bright Ford Phibsborough, which operates a *Ford* motor dealership located at 305 North Circular Road, Dublin 7;
 - ii. Kitale Limited, trading as Bright Ford Airside, which operates a *Ford* motor dealership located at Airside Motor Park, Swords, Co. Dublin;
 - iii. Kitale Limited, trading as Bright Ford Rialto, which operates a *Ford* motor dealership located at Herberton Road, Rialto, Dublin 12;
 - iv. Fitzpatrick Motors (Bray) Limited, trading as Bright Ford Bray, which operates a *Ford* motor dealership located at Dublin Road, Bray, Co. Wicklow;
 - v. Bright Hyundai Limited, trading as Bright Hyundai, which operates a *Hyundai* motor dealership located at Bright Motor Campus, Holywell Link Road, Swords, Co. Dublin;
 - vi. Aircom VW Limited, trading as Bright Volkswagen Commercial Vehicles, which operates a *Volkswagen* commercial vehicle motor dealership located at Bright Motor Campus, Holywell Link Road, Swords, Co. Dublin;
 - vii. Avanacar Limited, trading as Bright Suzuki, which operates a *Suzuki* motor dealership located at Unit D1 Airside Business Park, Swords, Co. Dublin; and
 - viii. Avanacar Limited, trading as Bright SEAT/Citroën/Cupra, which operates a *SEAT*, *Citroën* and *Cupra* motor dealership located at Airside Motor Park, Swords, Co. Dublin.
6. For the financial year ending 31 December 2022, the BTL Group's worldwide turnover was €[...], all of which was generated in the State.

The Target Business

7. The notification describes the Target Business as the business carried on by GMRGL at its car dealership located on the Navan Road, Dublin 15,¹ which principally comprises the following business activities: (i) the retail sale of new and demonstration *Kia*, *Opel*, *Peugeot* and *DS Automobiles* passenger cars and light commercial vehicles (including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for the above brand-specific vehicles) as well as the provision of after-sales services for *Citroën*- and *Honda*-branded passenger cars and light commercial vehicles and spare parts associated with such after-sales services; and (ii) the retail sale of pre-owned passenger cars and pre-owned light commercial vehicles.
8. The Target Business also has a small wholesale business of trade sales of used vehicles to other dealers and sells a small quantity of *Citroën*-branded spare parts to other dealers.
9. For the financial year ending 31 December 2022, the worldwide turnover attributable to the Target Business was approximately €[...], all of which was generated in the State.

Rationale for the Proposed Transaction

10. The Parties state the following in the notification:

“BTL considers that the Proposed Transaction presents it with the opportunity to enter the markets for the retail sale of new and demonstration Peugeot, Opel and DS branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for Peugeot, Opel and DS branded vehicles.”

Third-Party Submissions

11. No third-party submissions were received.

Competitive Analysis

Horizontal Overlap

12. There are four areas of horizontal overlap between the activities of the BTL Group and the Target Business:

¹ The Target Business to be acquired by BTL (through BMCL) under the APA does not include [...].

- i. the sale of new and demonstration *Citroën*-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for *Citroën*-branded vehicles in the State and the Greater Dublin Area (“GDA”)² (while the Target Business does not sell any new or demonstration *Citroën*-branded passenger cars or light commercial vehicles, it does supply after-sales services for *Citroën*-branded passenger cars and light commercial vehicles from its premises on the Navan Road, including limited quantities of spare parts);
- ii. the sale of pre-owned passenger cars and pre-owned light commercial vehicles in the State and the GDA;
- iii. the wholesale distribution of pre-owned passenger cars and pre-owned light commercial vehicles in the State; and
- iv. the wholesale distribution of *Citroën*-branded Original Equipment (“OE”) spare parts for passenger cars and light commercial vehicles in the State.

Relevant Markets

13. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this case, it is not necessary for the Commission to define the precise relevant product or geographic markets because the Commission’s conclusions on the likely competitive impact of the Proposed Transaction will be the same however those markets are defined. When considering the potential product and geographic markets impacted by the Proposed Transaction, the Commission has followed its own previous decisional practice and that of the European Commission, as outlined below.

Relevant Product Markets

The Sale of New and Demonstration *Citroën*-branded Passenger Cars and Light Commercial Vehicles, including the Supply of Intermediary Financial Services, After-sales Services, Repair Services and the Sale of Parts and Accessories

² The GDA refers to a catchment area with a radius of approximately 90km or an hour’s drive from the Target Business to other motor retailers in these areas.

14. In the Commission's determination in *M/22/016 – Keary Motors/Renault Retail Group Ireland*,³ while the Commission did not define precise relevant product markets, the Commission assessed the likely competitive impact of that transaction in the following potential product markets, namely: (i) the sale of new and demonstration *Renault*-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for *Renault*-branded vehicles; and (ii) the sale of new and demonstration *Dacia*-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for *Dacia*-branded vehicles.
15. Similarly, in the Commission's determination in *M/22/048 – Frank Keane/Doran Motors*,⁴ while the Commission did not define precise relevant product markets, the Commission analysed that transaction by reference to a potential product market for the sale of new and demonstration individually branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for such individually branded vehicles.
16. In this case, the Commission has found no reason to depart from its previous decisional practice as set out in the above-cited determinations. The Commission has therefore analysed the likely competitive impact of the Proposed Transaction in the following potential product market: the sale of new and demonstration *Citroën*-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for *Citroën*-branded vehicles.

The Sale of Pre-Owned Passenger Cars and Pre-Owned Light Commercial Vehicles

17. In *M/22/016 – Keary Motors/Renault Retail Group Ireland*, the Commission, without coming to a definitive view on the precise relevant product market, analysed the likely competitive impact of that transaction in the potential market for the sale of pre-owned passenger cars and pre-owned light commercial vehicles, and did not consider narrower potential product markets on the basis of a given brand.⁵ This approach was also followed in the Commission's determination in *M/22/048 – Frank Keane/Doran Motors*.⁶

³ The Commission's determination is available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2022/04/M-22-016-Keary-Motors-Renault-Public-Determination-1.pdf>.

⁴ The Commission's determination is available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2022/09/2022.10.20-Determination-Public.pdf>

⁵ See paragraph 13 of [the Commission's determination](#).

⁶ See paragraph 26 of [the Commission's determination](#).

18. In this case, the Commission has found no reason to depart from its previous approach as set out in the above-cited determination. The Commission has therefore assessed the likely competitive impact of the Proposed Transaction in the potential product market for the sale of pre-owned passenger cars and pre-owned light commercial vehicles.

The Wholesale Distribution of Pre-Owned Passenger Cars and Pre-Owned Light Commercial Vehicles

19. In its determination in *M/19/021 – Gowan Group/Opel Ireland*,⁷ the Commission did not come to a definitive view on the precise relevant product market but analysed the likely competitive impact of that transaction in the potential market for the wholesale distribution of pre-owned passenger cars and pre-owned light commercial vehicles.
20. In this case, the Commission has found no reason to depart from its previous approach as set out in the above-cited determination. The Commission has therefore analysed the likely competitive impact of the Proposed Transaction in the potential product market for the wholesale distribution of pre-owned passenger cars and pre-owned light commercial vehicles.

The Wholesale Distribution of Citroën-Branded OE Spare Parts for Passenger Cars and Light Commercial Vehicles

21. In Case *M.9070 - Eurocar/Vicentini*,⁸ the European Commission did not come to a definitive view on the precise relevant product market but assessed the competitive impact of that transaction in the potential product market for the wholesale distribution of brand-specific OE spare parts for passenger cars and light commercial vehicles.
22. In light of the European Commission's previous decisional practice, the Commission has assessed the likely competitive impact of the Proposed Transaction in the potential product market for the wholesale distribution of Citroën-branded OE spare parts for passenger cars and light commercial vehicles.

Relevant Geographic Markets

The Sale of New and Demonstration Citroën-branded Passenger Cars and Light Commercial Vehicles, including the Supply of Intermediary Financial Services, After-sales Services, Repair Services and the Sale of Parts and Accessories for Citroën-Branded Vehicles in: (i) the State; and (ii) the GDA

⁷ The Commission's determination is available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2019/07/Public-Determination-M-19-021.pdf>

⁸ Case *M.9070 - Eurocar/Vicentini*, available at: https://ec.europa.eu/competition/mergers/cases/decisions/m9070_93_3.pdf

23. In its determination in *M/22/048 – Frank Keane/Doran Motors*,⁹ the Commission assessed the impact of that transaction in both the State and a narrower potential geographic market comprising a catchment area with a radius of approximately 90km or an hour's drive from the target business in that transaction.
24. In light of previous decisional practice, the Commission has analysed the likely competitive impact of the Proposed Transaction in the following potential geographic markets: the sale of new and demonstration *Citroën*-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for *Citroën*-branded vehicles in: (i) the State; and (ii) the GDA.¹⁰

The Sale of Pre-Owned Passenger Cars and Pre-Owned Light Commercial Vehicles in: (i) the State; and (ii) the GDA

25. In its determination in *M/22/048 – Frank Keane/Doran Motors*,¹¹ the Commission assessed the impact of that transaction in both the State and a narrower potential geographic market comprising a catchment area with a radius of approximately 90km or an hour's drive from the target business in that transaction.
26. In light of previous decisional practice, the Commission has assessed the likely competitive impact of the Proposed Transaction in the following potential geographic markets: the sale of pre-owned passenger cars and pre-owned light commercial vehicles in: (i) the State; and (ii) the GDA.

The Wholesale Distribution of Pre-Owned Passenger Cars and Pre-Owned Light Commercial Vehicles in the State

27. In its determination in *M/19/021 – Gowan Group/Opel Ireland*,¹² the Commission, without coming to a definitive view on the precise relevant geographic market, assessed the likely impact of the proposed transaction in that case in the potential product market for the

⁹ The Commission's determination is available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2022/09/2022.10.20-Determination-Public.pdf>

¹⁰ As noted in footnote 2 above, the GDA refers to a catchment area with a radius of approximately 90km or an hour's drive from the Target Business to other motor retailers in these areas.

¹¹ The Commission's determination is available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2022/09/2022.10.20-Determination-Public.pdf>

¹² The Commission's determination is available at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2019/07/Public-Determination-M-19-021.pdf>

wholesale distribution of pre-owned passenger cars and pre-owned light commercial vehicles with respect to the State.

28. In this case, the Commission has found no reason to depart from its previous approach as set out in the above-cited determination. The Commission has therefore analysed the likely competitive impact of the Proposed Transaction in the potential geographic market for the wholesale distribution of pre-owned passenger cars and pre-owned light commercial vehicles in the State.

The Wholesale Distribution of Citroën-Branded OE Spare Parts for Passenger Cars and Light Commercial Vehicles in the State

29. The European Commission in its decision in *Case M.9070 – Eurocar/Vicentini* considered that the potential geographic market for the wholesale distribution of brand-specific OE spare parts could be either EEA-wide or national, but ultimately left open the exact geographic market definition.¹³

30. In light of the previous decisional practice of the European Commission, the Commission has assessed the likely competitive impact of the Proposed Transaction in the potential geographic market for the sale of Citroën-branded OE spare parts for passenger cars and light commercial vehicles in the State.

Conclusion on Relevant Markets

31. For the reasons set out above, the Commission has assessed the likely competitive impact of the Proposed Transaction in the following potential markets:
- the sale of new and demonstration Citroën-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for Citroën-branded vehicles in the State;
 - the sale of new and demonstration Citroën-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-

¹³ *Case M.9070 - Eurocar/Vicentini*, available at: https://ec.europa.eu/competition/mergers/cases/decisions/m9070_93_3.pdf

sales services, repair services and the sale of parts and accessories for *Citroën*-branded vehicles in the GDA;

- the sale of pre-owned passenger cars and pre-owned light commercial vehicles in the State;
- the sale of pre-owned passenger cars and pre-owned light commercial vehicles in the GDA;
- the wholesale distribution of pre-owned passenger cars and pre-owned light commercial vehicles in the State; and
- the wholesale distribution of *Citroën*-branded OE spare parts for passenger cars and light commercial vehicles in the State.

Horizontal Competitive Assessment

The Sale of New and Demonstration *Citroën*-Branded Passenger Cars and Light Commercial Vehicles, including the Supply of Intermediary Financial Services, After-sales Services, Repair Services and the Sale of Parts and Accessories for *Citroën*-Branded Vehicles in the State

32. In relation to the sale of new and demonstration *Citroën*-branded passenger cars and light commercial vehicles in the State in 2022, the Parties state in the notification that the BTL Group had an estimated share of approximately [5-10]% and the Target Business had an estimated share of only [0-5]%. The Parties provided the following explanation in the notification for the small estimated share of the Target Business:

*“The Target Business has no sales of new and demonstration *Citroën*-branded passenger cars and light commercial vehicles. Its activities in this market are confined to the provision of after-sales services from its Navan Road premises, and as part of that, the Target Business sells a small quantity of spare parts.”¹⁴*

33. Following the implementation of the Proposed Transaction, the BTL Group will continue to face a competitive constraint from a number of competing suppliers in the State including:

¹⁴ The revenue generated by the Target Business in the State from the provision of after-sales services and the sale of spare parts for *Citroën*-branded vehicles in 2022 was less than €[...].

Bolands Waterford City, Kilkenny Vehicle Centre Limited, Mallow Road Motors UK Limited and James Barry Motors Limited.

34. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the retail sale of new and demonstration *Citroën*-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for *Citroën*-branded vehicles in the State.

The Sale of New and Demonstration *Citroën*-Branded Passenger Cars and Light Commercial Vehicles, including the Supply of Intermediary Financial Services, After-sales Services, Repair Services and the Sale of Parts and Accessories for *Citroën*-Branded Vehicles in the GDA

35. In relation to the sale of new and demonstration *Citroën*-branded passenger cars and light commercial vehicles in the GDA in 2022, the Parties state in the notification that the BTL Group had an estimated share of approximately [15-20]% and the Target Business had an estimated share of only approximately [0-5]%. Accordingly, the BTL Group's share will increase by approximately only [0-5] percentage points following the implementation of the Proposed Transaction.
36. Following the implementation of the Proposed Transaction, the BTL Group will continue to face a competitive constraint from a number of competing suppliers in the GDA including: Citroën South Dublin (Fort Motors Limited), Linders Finglas Turvay Limited, Edward Conway Motors and Hugo Loonam Motors.
37. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the retail sale of new and demonstration *Citroën*-branded passenger cars and light commercial vehicles, including the supply of intermediary financial services, after-sales services, repair services and the sale of parts and accessories for *Citroën*-branded vehicles in the GDA.

The Sale of Pre-Owned Passenger Cars and Pre-Owned Light Commercial Vehicles in the State

38. In relation to the sale of pre-owned passenger cars and pre-owned light commercial vehicles in the State in 2022, the Parties state in the notification that the BTL Group and the Target Business had an estimated share of less than [0-5]% each.

39. Following the implementation of the Proposed Transaction, the BTL Group will continue to face a competitive constraint from a number of competing suppliers in the State including: Johnston & Perrott Motor Group, Blackwater Motor Group and Kevin Connolly Motor Group Unlimited Company.
40. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the sale of pre-owned passenger cars and pre-owned light commercial vehicles in the State.

The Sale of Pre-Owned Passenger Cars and Pre-Owned Light Commercial Vehicles in the GDA

41. In relation to the sale of pre-owned passenger cars and pre-owned light commercial vehicles in the GDA in 2022, the Parties state in the notification that the BTL Group and the Target Business had an estimated share of less than [0-5]% each.
42. Following implementation of the Proposed Transaction, the BTL Group will continue to face a competitive constraint from a number of competing suppliers in the GDA including: Spirit Motor Group Limited, Frank Keane Motor Group and the Keary Motor Group.
43. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the sale of pre-owned passenger cars and pre-owned light commercial vehicles in the GDA.

The Wholesale Distribution of Pre-Owned Passenger Cars and Pre-Owned Light Commercial Vehicles in the State

44. In relation to the wholesale distribution of pre-owned passenger cars and pre-owned light commercial vehicles in the State in 2022, the Parties state in the notification that the BTL Group and the Target Business had an estimated share of less than [0-5]% each.
45. Following the implementation of the Proposed Transaction, the BTL Group will continue to face a competitive constraint from a number of competing suppliers in the State including: Spirit Motor Group Limited, Frank Keane Motor Group and the Keary Motor Group.
46. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the wholesale distribution of pre-owned passenger cars and pre-owned light commercial vehicles in the State.

The Wholesale Distribution of Citroën-Branded OE Spare Parts for Passenger Cars and Light Commercial Vehicles in the State

47. In relation to the wholesale distribution of pre-owned *Citroën*-branded OE spare parts for passenger cars and light commercial vehicles in the State, the Parties state in the notification that the BTL Group has an estimated share of approximately [0-5]% and the Target Business has an estimated share of [10-15]%. The BTL Group's share in this potential market will increase to approximately [15-20]% following the implementation of the Proposed Transaction. This represents an increase of only [0-5] percentage points upon the larger of the two pre-Proposed Transaction shares.
48. Following implementation of the Proposed Transaction, the BTL Group will continue to face a competitive constraint from a number of competing suppliers in the State including: Koping Motors Limited, Mallow Road Motors UK Limited, Kilkenny Vehicle Centre Limited, PG Duffy & Sons Motors, James Barry Motors and Highland Motors.
49. In light of the above, the Commission considers that the Proposed Transaction does not raise any horizontal competition concerns in the wholesale distribution of *Citroën*-branded OE spare parts for passenger cars and light commercial vehicles in the State.

Vertical Overlap

50. The Parties state in the notification form that there is no vertical relationship between BMCL/the BTL Group and the Target Business or vertical overlap between their activities. The Commission has not identified any vertical relationship between the Parties or vertical overlap between their activities. Therefore, the Commission considers that the Proposed Transaction does not give rise to any vertical competition concerns in the State.

Conclusion of Competitive Analysis

51. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

Ancillary Restraints

52. No ancillary restraints were notified.

Determination

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Brightstone Trading Limited, through its wholly owned subsidiary Bright Motor City Limited, would acquire certain assets of Gowan Motor Retail Group Limited, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission

Úna Butler

Member

Competition and Consumer Protection Commission