

BOSNA I HERCEGOVINA
Konkurencijsko vijeće



БОСНА И ХЕРЦЕГОВИНА
Конкуренијски савјет

DECISION
on Notification of concentration
Company for export - import, wholesale and retail trade in textiles and ready-made
clothing „Fashion Company“ d.o.o. Belgrade, Republic of Serbia

„SHORT VERSION“

Sarajevo
April, 2025



Number: UP- 04-26-1-035-16/24
Sarajevo, 24.04.2025. godine

The Competition Council of Bosnia and Herzegovina, pursuant to Article 25, paragraph (1), item e), Article 42, paragraph (1), item d), and in accordance with Articles 12, 14, 16, 17 and 18 of the Law on Competition ("Official Gazette of BiH", No. 48/05, 76/07 and 80/09), deciding on the Notification of Concentration of the Company for Export - Import, Wholesale and Retail Trade in Textiles and Ready-Made Clothing "Fashion Company" d.o.o. Belgrade, Bulevar Mihajla Pupina 115b, 11000 Belgrade, Republic of Serbia, represented by Sead Miljković, lawyer from Sarajevo, Vrazova 8, 71000 Sarajevo, received on 26 December 2025 under number: UP -04-26-1-035-1/24, at the 26th session held on 24 April 2025, issued the

DECISION*¹

1. The concentration of participants in the retail market of textile clothing, footwear and fashion accessories, including lifestyle brands, in the cities of Banja Luka, Tuzla, Mostar and the Sarajevo Canton, the wholesale market of textile clothing, footwear and fashion accessories, including lifestyle brands in Bosnia and Herzegovina and the e-commerce market of textile clothing, footwear and fashion accessories, including lifestyle brands in Bosnia and Herzegovina, which will arise from the acquisition of control by the undertaking Export-Import Company, Wholesale and Retail Trade of Textiles and Clothing "Fashion Company" d.o.o. Belgrade, Republic of Serbia over the undertaking "AB-LINE" Trade and Services Company, Export-Import d.o.o. Sarajevo, Bosnia and Herzegovina, is deemed allowed.
2. The undertaking "Fashion Company" d.o.o. Belgrade, Republic of Serbia is obliged to pay an administrative fee in the amount of 5,000.00 KM (five thousand convertible marks) in favor of the Budget of the institutions of Bosnia and Herzegovina.
3. This Decision on Concentration shall be entered in the Register of Concentrations.
4. This Decision shall be published in the "Official Gazette of BiH", the official gazettes of the entities and the Brčko District of Bosnia and Herzegovina.

Exposition

The participants to the concentration are: undertaking "Fashion Company" d.o.o. Belgrade, Bulevar Mihajla Pupina 115b, 11000 Belgrade, Republic of Serbia and the undertaking "AB - LINE" Društvo za trgovina i usluge, export - import d.o.o. Sarajevo, Halilovići 6, 71000 Sarajevo, Bosnia and Herzegovina.

¹ * - short version of the decision in accordance with Article 44 paragraph (2) Zakona o konkurenciji („Official Gazette of BiH“, No. 48/058, 76/07 and 80/09)

The undertaking "Fashion Company" d.o.o. Belgrade, Bulevar Mihajla Pupina 115b, 11000 Belgrade, Republic of Serbia, is registered under registration number 06737536 in the Business Registers Agency of the Republic of Serbia.

The main business activity of the company Fashion Company d.o.o. is non-specialized wholesale trade, as well as import and distribution of textile clothing and footwear through an organized retail and wholesale network.

Founder and sole member of Fashion Company d.o.o. is a natural person (..)**² with a share of 100%.

The Applicant, the undertaking "Fashion Company" d.o.o. Belgrade, is present in Bosnia and Herzegovina through its affiliated businesses, as follows:

- „Fashion Company“ d.o.o. Banja Luka
- “East Box” d.o.o. Banja Luka
- “SM Fashion” d.o.o. Banja Luka.

The undertaking "Fashion Company" d.o.o. Banja Luka, Bulevar srpske vojske 17, 78000 Banja Luka is registered at the District Commercial Court in Banja Luka under registration number 57-01-0231-18, with registered share capital in the amount of (..)**KM.

Undetaking „Fashion Company“ d.o.o. Banja Luka je is in 100% ownership of the undertaking „Fashion Company“ d.o.o. Beograd.

The main registered activity of the undertaking "Fashion Company" d.o.o. Banja Luka is the import and distribution of textile clothing, footwear and fashion accessories through its own retail and wholesale network in the territory of Bosnia and Herzegovina.

The undertaking "Fashion Company" d.o.o. Banja Luka carries out its activities on the relevant product market through 7 separate business units in the city of Banja Luka, as well as through e-commerce throughout Bosnia and Herzegovina.

The undertaking "East Box" d.o.o. Banja Luka, Bulevar srpske vojske 17, 78000 Banja Luka is registered at the District Commercial Court in Banja Luka under registration number: 57-01-0245-19, with registered share capital in the amount of (..)**KM.

The undertaking "East Box" d.o.o. Banja Luka is 100% owned by the undertaking "East Box" d.o.o. Belgrade, Republic of Serbia.

The founder of the Applicant (..)** is a member of the company "East Box" d.o.o. Belgrade with a 49% share, while the other member is the undertaking "Fashion Box the Netherlands" B.V. with a 51% share and they operate on the principle of a joint venture partnership.

The main registered activity of the undertaking "East Box" d.o.o. Banja Luka is the distribution and sale of textile clothing, footwear and fashion accessories of the fashion brand "Replay".

² (..)** - data represents business secret

The undertaking "SM Fashion" d.o.o. Banja Luka, Bulevar srpske vojske 17, 78000 Banja Luka is registered at the District Commercial Court in Banja Luka under registration number: 57-01-0533-24, with registered share capital in the amount of (..) **KM.

The undertaking "SM Fashion" d.o.o. Banja Luka is 100% owned by the undertaking "SM Fashion" d.o.o. Belgrade, Republic of Serbia.

The founder of the Applicant (..) ** is also a member of the company "SM Fashion" d.o.o. Belgrade with a 49.99% share, while the other member is the company "Madden Europe Holding B.V." with a 50.01% share.

The undertaking "SM Fashion" d.o.o. Banja Luka currently does not have a separate branch in the relevant market, but it will carry out business activities in the same market.

The undertaking "AB - LINE" društvo za trgovine i usluge, export-import d.o.o. Sarajevo, Halilovići br. 6, 71000 Sarajevo is registered at the Municipal Court in Sarajevo under registration number 65-01-0360-11, with registered share capital in the amount of (..) **KM.

The undertaking "AB-LINE" is 100% owned by the natural person (..) **.

The main registered activity of the undertaking "AB-LIN" is the import and distribution of textile clothing, footwear and fashion accessories through its own retail and wholesale network.

The undertaking "AB-LINE" in Bosnia and Herzegovina owns a majority ownership stake in the undertaking "N.G.A." d.o.o. Sarajevo, and (..) ** is the founder and owner of the undertaking "CAPONE" d.o.o. Sarajevo.

The undertaking "N.G.A." d.o.o. Sarajevo, Ferhadija 16, 71000 Sarajevo is registered at the Municipal Court in Sarajevo under registration number: 65-01-0157-18, with registered share capital in the amount of (..) **KM.

The undertaking "NGA" d.o.o. Sarajevo is owned by the undertaking "AB - LINE" with a 51% ownership stake and the undertaking "Unique financial solutions" d.o.o. Sarajevo with a 49% ownership share.

The main registered activity of the undertaking is the import and distribution of textile clothing, footwear and fashion accessories through its own retail and wholesale network.

The undertaking "CAPONE" d.o.o. Sarajevo, Halilovići 6, 71000 Sarajevo is registered at the Municipal Court in Sarajevo under registration number: 65-01-0132/24, with registered share capital in the amount of (..) **KM.

The main activity of the undertaking "CAPONE" is wholesale trade in textiles.

The undertaking "CAPOME" is 100% owned by the natural person (..) **.

The undertaking "CAPONE" d.o.o. Sarajevo, Halilovići 6, 71000 Sarajevo is registered at the Municipal Court in Sarajevo under registration number: 65-01-0132/24, with registered share capital in the amount of (..) **KM.

The main activity of the undertaking "CAPONE" is wholesale trade in textiles.

The undertaking "CAPOME" is 100% owned by a natural person (..)**.

The undertaking "CAPONE", which is not the subject of the concentration, was founded in 2006, and in 2024 opened its first branch in which it sells clothing, footwear and accessories of the Tom Tailor brand through a retail and wholesale network.

The obligation to notify a concentration of undertakings, pursuant to Article 14, paragraph (1), item b) of the Law, exists if the total annual revenue of each of at least two undertakings participating in the concentration achieved by selling goods and/or services on the market of Bosnia and Herzegovina amounts to at least 8 million KM according to the final accounts in the year preceding the concentration, or if their joint share in the relevant market exceeds 40.0%.

The total annual revenue of the participants in the concentration and their affiliated undertakings, as of 31.12.2023. was:

Table 1.

No	Name of the undertaking	Bosnia and Herzegovina	World
1.	„Fashion Company“ d.o.o. Beograd	(..)**	(..)**
2.	„Fashion Company“ d.o.o. Banja Luka	(..)**	(..)**
3.	„East Box“ d.o.o. Banja Luka	(..)**	(..)**
4.	„SM Fashion“ d.o.o. Banja Luka	(..)**	(..)**
5.	„AB LINE“ d.o.o. Sarajevo	(..)**	(..)**
6.	„N.G.A.“ d.o.o. Sarajevo	(..)**	(..)**
7.	„Fashion Company“ with affiliated companies $\sum 1-4$	(..)**	(..)**
8.	„AB LINE“ with affiliated companies $\sum 5-6$	(..)**	(..)**

Source: Data from the Notification

The annual turnover of the parties to the concentration represents the total turnover (excluding value added tax and other taxes directly related to the parties to the concentration on the market of Bosnia and Herzegovina) within the meaning of Article 9, item h) of the Decision on the manner of submitting the notification and the criteria for assessing concentrations of undertakings.

In the Notification of Concentration and the Supplement to the Notification of Concentration, the Notifiers state that the concentration in question involves the acquisition of control and dominant influence by the Notifier over the Target Company.

The applicant "Fashion Company" signed a Letter of Intent on 15.12.2024 regarding the proposed acquisition of the undertaking "AB-LINE" with (..)**, which stated the intention to conclude an agreement to purchase (..)**% of the share in the Target Company from the previous owner.

In accordance with the subject Letter of Intent, "Fashion Company" intends to acquire (..)**0% of the share in the undertaking "AB - LINE" and indirectly (..)**0% of the share in the subsidiary of the aforementioned company, the undertaking "N.G.A." d.o.o. Sarajevo.

Accordingly, the legal form of the concentration in question is the acquisition of control by one undertaking over another, by purchasing the majority of the share capital within the meaning of the provisions of Article 12, paragraph (1), item b) of the Law.

Given that the Applicant and the Target Company are active in the market of import and distribution of textile clothing, footwear and fashion accessories through their own retail and wholesale network in the territory of Bosnia and Herzegovina, as well as through electronic commerce, and that the concentration in question produces effects on the aforementioned markets, the Competition Council has determined that it is necessary to distinguish three product markets on which the concentration will have an effect, namely:

1. Retail market for textile clothing, footwear and fashion accessories, including lifestyle brands,
2. Wholesale market for textile clothing, footwear and fashion accessories, including lifestyle brands and
3. E-commerce market for textile clothing, footwear and fashion accessories, including lifestyle brands.

The market for retail activities is treated as local and needs to be defined at the level of individual cities or municipalities in which the specific retail activity is carried out. Bearing in mind the "willingness of consumers" to satisfy their individual needs at the local level whenever possible, and in the case of the concentration in question, the Competition Council has, in this case, geographically defined the relevant retail product market as the wider area of Tuzla, Mostar and Banja Luka, as well as the market of the Sarajevo Canton, in which the retail facilities of the Applicant and the Target Company are located.

Based on such geographically determined relevant product markets, it can be assumed that the concentration in question, after its implementation, will produce certain horizontal effects on this market.

The Competition Council has determined that horizontal overlap between the parties to the concentration will occur in the territory of the city of Banja Luka, and taking into account the operations of the Target Company, it will also have an effect in the territory of the cities of Mostar and Tuzla, as well as in the territory of the Sarajevo Canton, because the Target Company and its affiliated company N.G.A. carry out retail sales of textile clothing, footwear and fashion accessories through their own network of specialized stores in Banja Luka, Mostar, Tuzla and the Sarajevo Canton.

On the other hand, both the Applicant and the Target Company distribute brands for which they have representation throughout Bosnia and Herzegovina through e-commerce, as well as through their wholesale facilities.

In this regard, the Competition Council has determined that the relevant market of the concentration in question is: the retail market for textile clothing, footwear and fashion accessories, including lifestyle brands, in the cities of Banja Luka, Mostar, Tuzla and in the Sarajevo Canton, the wholesale market for textile clothing, footwear and fashion accessories, including lifestyle brands, in Bosnia and Herzegovina, and the e-commerce market for textile clothing, footwear and fashion accessories, including lifestyle brands, in Bosnia and Herzegovina.

The Applicant states that, according to unofficial data, there are a total of 55 significant companies on the market for the import and distribution of clothing, footwear and fashion accessories through their own retail and wholesale networks in Bosnia and Herzegovina. A number of companies distribute products through electronic stores (Alma Ras, Alpina, Astra, Avangardija, Benetton, Beosport, Buzz, Deichmann, Dresscode, Facrtcool, Gema, Granoff, House, Intersport, Jeordies, John ricardo, Lindex, Mango, Massimo Dutti, Mohito, Moj brend, Mona, N Sport, Office Shoes, Ps-Fashion, Reserved, Retro, Sinsay, Sport Vision, TFFY Tiffany, US Polo Assn, Zara...).

In the territory of the city of Banja Luka, the Applicant and the Target Company have together 14 specialized retail stores, which according to the Applicant's estimates amounts to approximately (..)**% of the market share.

In the territory of the Sarajevo Canton, the Target Company has 6 retail stores, which according to the Applicant's estimates amounts to approximately (..)**% of the market share, in the territory of the City of Mostar 2 retail stores with approximately (..)**% of the market share, and in the territory of the City of Tuzla 2 retail stores with approximately (..)**% of the market share.

The Applicant did not submit the requested data for the market shares of the participants in the concentration and for their competitors, because it does not have the same. In this regard, in order to partially comply with the order of the Competition Council by submission received under number: UP – 04-26-1-035-12/24 of 11.03.2025. submitted data on the revenue generated by the participants in the concentration operating in the e-commerce market, shown in the following table:

Table 10.

No	Name of the undertaking	Turnover from e-commerce	Share in the total turnover
1.	„AB – LINE“ d.o.o. Sarajevo	(..)**	(..)**
2.	„FASHION CO“ d.o.o. Banja Luka	(..)**	(..)**

The Applicant operates in the relevant geographic market through its affiliated companies "Fashion Co" d.o.o. Banja Luka, "EAST BOX" d.o.o. Banja Luka and "SM Fashion" d.o.o. Banja Luka, while the Target Company "AB-LINE" d.o.o. Sarajevo operates in the relevant market directly, and through one affiliated company "N.G.A." d.o.o. Sarajevo. However, in the e-commerce market, the Applicant operates only through the e-commerce of its affiliated company "Fashion Co" d.o.o. Banja Luka, while the Target Company operates directly through e-commerce in the same e-commerce market. The affiliated company of the Target Company "N.G.A." d.o.o. Sarajevo does not operate through e-commerce.

There is strong competition in the relevant market, given the number of market participants, as well as the fact that, according to the assessment, no market participant has more than 20% market share and none can be considered dominant in the market.

The Competition Council has determined that in this particular case it is not an exclusive representation of luxury fashion brands, but rather the import and distribution of textile clothing, footwear and fashion accessories through its own retail and wholesale network, including lifestyle brands.

Also, lifestyle fashion brands from the range of the concentration participants can be freely purchased by other retailers operating in the relevant geographic market.

The products offered by the parties to the concentration are interchangeable in terms of their properties, common uses and prices, and they are also widely available because the parties to the concentration have a larger number of competitors.

Furthermore, there are no regulatory or other barriers on the relevant market that could in any way prevent or disable potential competitors from entering the relevant market and competing on an equal footing with the Applicant on the same.

Having in mind the above, the Competition Council, by analyzing the relevant data, pursuant to Article 17 of the Law, assessed that the implementation of the concentration in question will not lead to a distortion of market competition, or the creation or strengthening of a dominant position of the parties to the concentration.

Accordingly, the Competition Council has deemed the concentration in question permissible within the meaning of Article 18, paragraph (2), item a) of the Law, as set out in point 1 of the operative part of this Decision.

The Applicant is obliged to pay an administrative fee in the total amount of KM 5,000.00 to the Budget of the Institutions of Bosnia and Herzegovina in accordance with this Decision, in accordance with Article 2, paragraph (1), tariff number 107, item d) under 1) of the Decision on the amount of administrative fees in connection with procedural actions before the Competition Council ("Official Gazette of BiH", No. 30/06, 18/11 and 75/18).

In accordance with the above, the Competition Council has adopted a decision as set out in point 2 of the operative part of this Decision.

Legal Remedy

This Decision is not subject to appeal.

The dissatisfied party may initiate an administrative dispute before the Court of Bosnia and Herzegovina within 30 days from the date of receipt or publication of this Decision.

President

Ivo Jerkić