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The Turkish Competition Authority unconditionally approves the acquisition of jet fuel storage and into-plane service assets in the aviation fuel sector (*THY Opet / Shell*)

July 2025 | e-Competitions News Issue

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On December 22, 2025, the Turkish Competition Authority (“**Authority**”) published the Turkish Competition Board’s (“**Board**”) reasoned decision, in which the transaction concerning the acquisition of contribution shares and related assets of Shell Company Of Türkiye Limited Merkezi Londra Türkiye Şubesi, which is headquartered in London and Türkiye Branch (“**Shell**”) ¹ by THY Opet Havaçılık Yakıtları AŞ (“**THY Opet**”) through the exercise of its pre-emption right ² based on the Joint Aviation Operation Agreement for Warehousing and Fuel Storage in Turkish Airports dated March 1, 2008, (“**Joint Operation Agreement**” or “**Agreement**”) was unconditionally approved pursuant to Law No. 4054 on Protection of Competition (“**Law No. 4054**”) and the relevant provisions of Communiqué No. 2010/4 on the Mergers and Acquisitions Requiring the Approval of the Competition Board (“**Communiqué No. 2010/4**”). The Board’s decision provides an up-to-date insight into the dynamic and rapidly expanding Turkish jet fuel market, while also clarifying its approach to attributing turnover to transferred assets.

Before turning to its substantive assessment, the Board outlined the parties’ activities and the structure of the transaction. THY Opet, established as a joint venture between Türk Hava Yolları A.O. (“**THY**”) and OPET Petrolcülük A.Ş. (“**OPET**”), operates in the storage, supply and sale of aviation fuels at various airports, including the import, distribution and transportation of petroleum products and their storage in airport and off-airport facilities.

The transaction concerns the transfer, within the framework of the Joint Operation Agreement, of Shell’s contribution share and the related assets used for jet fuel storage and into-plane services at Bodrum Milas and İzmir Adnan Menderes Airports, comprising the relevant buildings, infrastructure, storage equipment, refueling units and ancillary facilities necessary for the receipt, storage and delivery of aviation fuel. The Board also provided an overview of the Turkish jet fuel supply chain,

describing it as a vertically structured system extending from refinery/import to distributor and ultimately to airline customers, before proceeding to define the relevant product market.

The Board’s Assessment of the Relevant Product and Geographic Market

In its assessment of the relevant product market, the Board stated that aviation fuels are divided into (i) avgas (aviation gasoline) and (ii) jet fuels, noting that Jet A-1 is the most widely used type within the scope of the transaction. The Board further explained that the jet fuel supply chain consists of refining/import, distribution, storage and into-plane services, and final sales to airlines. While storage and into-plane services form part of the vertical supply chain, the Board emphasized that jet fuel storage and supply services and jet fuel sales constitute distinct product markets, as they differ in terms of pricing structures, cost components and regulatory frameworks. Although undertakings active in jet fuel sales must either operate their own storage facilities or procure storage and into-plane services from third parties, the Board considered these activities to be complementary yet economically and functionally separate. Accordingly, for the purposes of the transaction, the relevant product markets were defined as (i) the market for jet fuel storage and into-plane services and (ii) the market for jet fuel sales.

With respect to the relevant geographic market, the Board underlined that fuel supply is generally carried out at the airport of departure and that airlines face significant practical constraints in sourcing fuel from alternative airports. Although tankering may theoretically constitute an alternative strategy, the Board noted that it entails operational risks and increased fuel consumption costs and is therefore used only exceptionally. On this basis, the Board concluded that demand-side substitution is limited and that each airport constitutes a separate

1. The abbreviation for Shell indicates the Shell’s contribution shares and related assets in the Joint Operation Agreement.

2. The Board’s decision dated 03.07.2025 and numbered 25-24/602-377.

geographic market. In reaching this conclusion, the Board also referred to the decisional practice of the European Commission³

Exxon; Case No COMP/M.5880 - Shell/Topaz/JV; Case No COMP/M.1628 - TotalFina/Elf, which similarly treats each airport as a distinct geographic market in jet fuel supply cases. Following these assessments, the Board defined the relevant geographic markets as Bodrum Milas Airport and İzmir Adnan Menderes Airport within the scope of the market for jet fuel storage and into-plane services.

Relevant Board Decisions Regarding the “Joint Operation Agreement”

The Board has previously examined the Joint Operation Agreement in several decisions. In 2006, it granted negative clearance to the agreement concluded between BP Petrolleri AŞ (“BP”), Mobil Oil Türk AŞ (“Mobil”) and Shell for the joint operation of their storage facilities at İstanbul Atatürk, Antalya, İzmir Adnan Menderes and Bodrum Milas Airports.⁴ Following OPET’s involvement in the agreement in 2008, the Board granted individual exemption to the agreement based on the economies of scale, cost advantages and operational safety as the negative clearance requirements were not met anymore.⁵ In 2009, the Board approved the joint venture between THY and OPET, which will be active in the jet fuel distribution market.⁶

In 2014, with its in-depth investigation (Phase II) decision, the Board approved the acquisition of MOBIL’s 25% ownership rights in the assets of Joint Operation Agreement by THY OPET subject to the commitments to provide third parties with access to storage capacity and not to discriminate, within the

scope of the agreement.⁷ The Joint Operation Agreement’s scope was Antalya, Bodrum, İzmir and İstanbul Airports and executed between MOBIL, SHELL, BP and THY OPET. Post transaction, THY OPET held 50% of the assets.

In 2023, after BP’s withdrawal from the Joint Operation Agreement, the Board approved THY Opet’s acquisition of BP’s 25% share, related assets and operating rights through the exercise of its pre-emption right, resulting in THY Opet holding 75% and Shell 25% of the Joint Operation Agreement assets. The present transaction concerns THY Opet’s exercise of its pre-emption right to acquire Shell’s remaining contribution share and related infrastructure assets, thereby enabling THY Opet to operate the relevant storage and into-plane services independently at İzmir Adnan Menderes and Bodrum Milas Airports.

The Board’s Assessment of Notifiability and Competitive Effects of the Transaction

Referring to its previous decisions, the Board stated that transfers of assets and operating rights to which turnover may be attributed and transfers of lease agreements have been treated as acquisition transactions and examined accordingly. As set out in para. 17 of the Guidelines on Cases Considered as a Merger or an Acquisition and the Concept of Control, the acquisition of control over assets may be regarded as an acquisition within the meaning of Article 7 of Law No. 4054 only where those assets constitute a part of an undertaking to which market turnover can be attributed.

In this respect, the Board determined that the notified transaction concerning the transfer of Shell’s contribution share arising from the Joint Operation Agreement, together with the related assets (including real estate, pipelines, storage equipment,

3. Case No COMP/M.7965 - World Fuel Services Corporation/Certain Aviation Fuels Assets Belonging to

4. Decision of the Board dated 28.12.2006 and numbered 06-95/1202-365

5. Decision of the Board dated 09.07.2008 and numbered 08-44/606-231

6. Decision of the Board dated 26.8.2009 and numbered 09-39/981-247

7. Decision of the Board dated 16.07.2014 and numbered 14-24/482-213

etc.), was found to constitute an acquisition, as it involved the transfer of assets to which turnover may be attributed. Moreover, in light of the above-cited decisions regarding the Joint Operation Agreement —where transactions were assessed as acquisitions even in the absence of a change of control through a share transfer— the Board concluded that the transaction would likewise result in a change of control through the transfer of assets and should therefore be treated as an acquisition.

Accordingly, the notified transaction was assessed to constitute an acquisition subject to approval under Article 7 of Law No. 4054 and Communiqué No. 2010/4.

The Board also assessed that the transaction at hand would change the decision-making process of the ordinary partnership. While prior to the transaction, the decisions to be taken by the Management Committee and the ordinary partnership in the course of their activities are currently taken jointly by Shell and THY Opet, post transaction, the decisions would be taken solely by THY Opet. In addition, prior to the transaction, storage and supply of jet fuels services at Bodrum Milas Airport and Izmir Adnan Menderes Airport were jointly controlled by THY Opet and Shell. Pursuant to the Joint Operation Agreement, THY Opet will acquire Shell's contribution share and the related assets, as a result of which jet fuel storage and refueling services at these airports will be solely controlled by THY Opet.

In terms of affected markets, the Board determined that the relationship between Parties was related to storage and supply of aviation, while sales of aviation fuels were not subject to acquisition. In this regard, before its detailed analysis, the Board evaluated that a horizontal overlap could occur between THY Opet's activities and Shell's contribution shares and related assets in terms of "storage and supply of jet fuels".

Within the scope of the information in the case at hand, the Board found that the transaction would only affect the storage stage of the supply chain by

THY Opet having a higher storage capacity through incorporating Shell's current fuel storage. However, after the proposed transaction, Petrol Ofisi would continue to have higher storage capacity at relevant airports. Furthermore, considering the usage rate of jet fuel storage capacity of the Parties under the Agreement, the Board determined that there is no constraint in jet fuel storage and providing access to storage services for potential third-party fuel companies.

Considering the Parties' market shares and low usage rate at the relevant airports, the Board determined that THY Opet will not be able to impede competition in the jet fuel sales market after the proposed transaction.

Conclusion

As a result of its assessment, the Board concluded that the transaction would not significantly reduce effective competition in any market. The Board therefore granted unconditional approval to the transaction.

The Decision is noteworthy to reaffirm the Board's consistent approach toward the Joint Operation Agreement, which has been examined in multiple decisions over the years. More importantly, it clarifies that the transfer of assets capable of generating attributable turnover may qualify as an acquisition under Article 7 of Law No. 4054, even in the absence of standalone revenue attributed to those assets. The Decision also provides guidance on the assessment of control in non-corporate cooperation structures, confirming that a shift from joint to sole control within an ordinary partnership framework may trigger merger control review. In this respect, the ruling contributes to Turkish merger control practice, particularly in transactions involving asset transfers and joint operation arrangements in regulated infrastructure markets.

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