ACQUISITIONS (MOTOR VEHICLES): THE RENAULT / NISSAN CASE

Subject: Acquisitions

Industry: Motor vehicles

Parties: Renault
Nissan Motor

Source: Commission Statement IP/991331, dated 17 May 1999

(Note. Although this operation strengthens Renault's market share in France, the Commission regards the overall effect in the EEA as acceptable.)

The Commission has cleared the concentration by which the French car manufacturer Renault acquires shareholdings in the Japanese Nissan Motor, Nissan Diesel and Nissan European Financing Subsidiaries. The operation mainly affects the passenger car sector where the product lines of Renault and Nissan overlap in certain respects. Although the operation will lead to further concentration in this sector, the Commission concluded that the merger would not create a dominant position given the strength of existing competitors on the market. Renault is a diversified automobile group which mainly designs, produces and sells cars, light commercial vehicles, farm machinery, trucks, buses, coaches, military vehicles and special transport vehicles. Nissan Motor manufactures and distributes vehicles and vehicle components and parts. Nissan is also engaged in certain vehicle financing activities and sells other products such as rockets, forklifts and boats. Nissan Diesel manufactures and markets a wide range of light, medium and heavy trucks as well as buses and bus chassis, engines, vehicle components and special-purpose vehicles.

In the overall market for passenger cars in the European Economic Area (EEA), the parties' combined share would be less than 15%. At national level, the parties' combined share would significantly exceed 20% only in France. Where there is an overlap, combined market shares are in general highest in France, notably for small cars, medium cars, large cars, executive cars and multi-purposes vehicles. However, the concentration will not create a dominant position, particularly in view of the relatively minor presence of Nissan in each sector and the presence in all these sectors of strong competitors such as Peugeot, BMW, Mercedes, Audi or Ford. As far as commercial vehicles are concerned, the highest combined market share will be reached in Spain for medium trucks; but, again, the new entity will have to face competition from many strong manufacturers such as Iveco, MAN or Mercedes. For these reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market. □