ACQUISITIONS (STEEL): THE MANNESMANN / THYSSEN CASE

Subject: Acquisitions

Industry: Steel

Parties: Mannesmann Handel AG
Thyssen Handelsunion AG

Source: Commission Statement IP/99/219, dated 9 April 1999

(Note. This is a case in which the Merger Regulation and the competition rules under the ECSC Treaty intersect, as products covered by the Treaty and products not covered by the Treaty are both involved.)

The Commission has approved the acquisition of Mannesmann Handel AG, a company engaged in the distribution of, and trading in, steel products of Thyssen Handelsunion AG, part of the Thyssen group. This concentration will neither create nor strengthen a dominant position, nor will it allow the parties to evade the ECSC competition rules. Both the companies involved in the transaction are based in Germany and are primarily engaged in distributing and trading rolled steel products and steel tubes and other materials.

Thyssen Handelsunion AG and Mannesmann Handel AG sell products which fall under the ECSC and products which are not covered by this Treaty and which therefore fall to be examined under the Merger Regulation. With regard to the market for the distribution of rolled steel products, which are ECSC products, Mannesmann Handel AG has only a small market share. Therefore its incorporation within the Thyssen group will not lead to any substantial change. The new group will not be able to determine prices, control or restrict distribution or effective competition, within the meaning of Article 66(2) of the ECSC Treaty. In relation to the products examined under the Merger Regulation, the investigations carried out by the Commission showed that the parties' activities in the distribution of various categories of tubes were unlikely to lead to any significant anti-competitive effects in the European Economic Area (EEA). Consequently, the Commission decided not to oppose to the proposed operation and to authorise it under Article 66 of the ECSC Treaty and declare it compatible with the common market under the Merger Regulation. □

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