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*Case No IV/M.1155 -
CENDANT
CORPORATION / NPC*

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**REGULATION (EEC) No 4064/89
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION

Date: 24/04/1998

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.04.1998

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

to the notifying party

Dear Sirs,

Subject: Case No IV/M. 1155 - CENDANT CORPORATION/NPC

Notification of 23.3.1998 pursuant to Article 4 of Council Regulation No 4064/89

1. On 23.3.1998, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which Cendant Corporation (Cendant) acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of National Parking Corporation Limited (NPC) by way of public bid announced on 23.3.1998.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the EEA Agreement.

I. THE PARTIES' ACTIVITIES AND THE OPERATION

3. The business activities of the undertakings concerned are :
 - for Cendant: Membership Services (e.g., checking account enhancement packages and discount membership programs), Travel Services (e.g., lodging and car rental franchises such as AVIS Rent A Car, timeshare exchange services and fleet management services, and Real Estate Services (e.g., real estate brokerage franchises, employee relocation services and mortgage services,

- for NPC :(I) ownership/leasing and management of car parking activities (ii) the provision of assistance services (primarily vehicle breakdown and recovery services, home emergency rectification services and medical assistance), together with the underwriting of associated pecuniary loss insurance. NPC also has minor activities in (iii) the operation of a fleet of coaches for hire, and (iv) investment property trading and letting.

II. COMMUNITY DIMENSION

4. Cendant and NPC have a combined aggregate world-wide turnover in excess of ECU 5,000 million (Cendant , [...] ; and NPC, ECU 419.74 million). Each of them has a Community-wide turnover in excess of ECU 250 million (Cendant, [...] ; and NPC ECU 402.8 million), but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension, but does not constitute a co-operation case under the EEA Agreement, pursuant to Article 57 of that Agreement.

III. COMPETITIVE ASSESSMENT

A. Relevant product market(s)

5. The parties to the concentration are active in the segments of activity mentioned in paragraph 3 above. However, it is not necessary to decide whether these segments of activity constitute relevant product markets because, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

B. Relevant geographic market(s)

6. While Cendant mainly provides services at national level (franchises, membership and travel services), NPC operates essentially locally (car park facilities, provision of emergency assistance, operation of the fleet of coaches between the airports of Heathrow and Gatwick). However, it is not necessary to delineate the relevant geographic markets because, in all alternative geographic market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

C. Assessment

7. The transaction will not result in any horizontal or vertical affected markets. The transaction will combine, basically, complementary operations. Cendant does not operate or manage car parks nor is it active in vertically upstream or downstream markets and does not provide emergency assistance services. Vertically, Cendant's fleet management operation outsource vehicle breakdown and recovery services from NPC and other suppliers of these services. Cendant estimates that it represents less than 5% of the total UK demand. Finally, Cendant does not have any coach-for-hire activities

¹ business secret: greater than ECU 4,7 billion

² business secret: greater than ECU 500 million

and NPC's minor investment property activities do not involve any horizontal overlap or vertical relationship with Cendant.

8. Cendant provides time share exchange services. In a narrow subsegment comprised only of holiday travel packages that include a property ownership interest, Cendant estimates it may have a greater than 25% share in certain individual EEA countries. However, Cendant faces strong competition from other exchange services. Cendant's timeshare activities are unrelated to the activities of NPC and, finally, this operation will not strengthen Cendant's position.
9. Cendant holds a strong position as fuel cards provider, credit cards protection services, value-added tax refund services to travellers and employee relocation services. However the present operation will not strengthen the present market position of Cendant.
10. In view of the above, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

IV. CONCLUSION

11. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,