

***Case No COMP/M.1708 -
TAPIS SAINT-MACLOU
/ ALLIED CARPETS
GROUP***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 21/10/1999

*Also available in the CELEX database
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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 21.10.1999

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

Subject: Case No IV/M.1708 – TAPIS SAINT-MACLOU/ALLIED CARPETS CROUP
Notification of 27.09.1999 pursuant to Article 4 of Council Regulation No 4064/89

1. On 27.09.1999, the Commission received a notification of a proposed concentration by which TAPIS SAINT-MACLOU S.C.A. (“TSM”) acquires control of the whole of ALLIED CARPETS GROUP plc. (“Allied”) by way of a public bid announced on 08.09.1999.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of the Council Regulation (EEC) No 4064/89¹ and does not raise serious doubts as to its compatibility with the common market and with the EEA Agreement.

¹ OJ L 395, 30.12.1989 p. 1; corrigendum OJ L 257 of 21.9.1990, p. 13; Regulation as last amended by Regulation (EC) No 1310/97 (OJ L 180, 9.7.1997, p. 1, corrigendum OJ L 40, 13.2.1998, p. 17).

I. THE PARTIES AND THE OPERATION

3. TSM is a french company active in the retailing and manufacturing of carpets and household furnishings in France and Belgium
4. Allied is a United Kingdom company active in the retailing of carpets and household furnishings in the United Kingdom.
5. TSM will acquire Allied by way of purchase of shares.

II. CONCENTRATION

6. The transaction consists of the acquisition by TSM of sole control of Allied within the meaning of Article 3(1)b of the Merger Regulation.

III. COMMUNITY DIMENSION

7. The combined aggregate worldwide turnover of TSM and Allied exceeds 5 000 million EUR (TSM; EUR [...] million, Allied; EUR 395 million). Both TSM and Allied have a Community-wide turnover in excess of 250 million EUR (TSM; EUR [...] million, Allied; 395 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. It does not constitute a co-operation case under the EEA Agreement.

IV. COMPATIBILITY WITH THE COMMON MARKET

Relevant product markets

8. The operation involves the markets for the retailing of carpets and other floor coverings, wallpaper and curtains in France, Belgium, and the UK.
9. According to the parties there are no 'affected markets' for the purposes of this transaction (see below). There are numerous manufacturers and retailers of such items, and since the parties have no significant market shares under any relevant market definition, such a definition is unnecessary in the present case.

Relevant geographic markets

10. The parties argue that the markets for the products in question are national, in line with previous Commission decisions involving retailing markets, particularly in view of differing national consumer preferences. Since the parties have no significant market shares under any relevant market definition (see below) such a definition is unnecessary in the present case.

Assessment

11. There is no cross-border overlap between the activities of TSM and Allied, which are active in different Member States (see above). Within the UK, Allied is only one of a number of major chains involved in carpet retailing and these chains also compete with independent and department stores. TSM estimates that it has less than [...] of any

French and Belgian market for the products which it sells. At the EU level their individual and combined market shares are negligible.

Conclusion

12. In light of the above information, the proposed concentration does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA agreement.

V. CONCLUSION

13. 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,