

EN

***Case No COMP/M.7196 - KUWAIT PETROLEUM BV /
KUWAIT PETROLEUM ITALIA / SHELL ITALIA / SHELL
AVIAZIONE***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 11/06/2014

***In electronic form on the EUR-Lex website under document
number 32014M7196***



Brussels, 11.6.2014
C(2014) 3978 final

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

To the notifying parties:

Dear Sir/Madam,

Subject: M.7196 - KUWAIT PETROLEUM BV / KUWAIT PETROLEUM ITALIA / SHELL ITALIA / SHELL AVIAZIONE
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004¹

(1) On 6 May 2014 the European Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004² by which the undertakings Kuwait Petroleum Italia S.p.A. ("KPI", Italy) and Kuwait Petroleum Europe B.V. ("KPE", The Netherlands) both belonging to the Kuwait Petroleum Corporation ("KPC", Kuwait) acquire within the meaning of Article 3(1)(b) of the Merger Regulation control of the whole of the undertakings Shell Italia S.p.A. ("Shell Italia", Italy) and Shell Italia Aviazione S.r.l. ("Shell Aviazione", Italy) by way of purchase of shares. KPI, KPE, Shell Italia and Shell Aviazione are collectively referred to as "the Parties".

1. THE PARTIES

- (2) KPE is the holding company for the majority of the downstream assets of KPC in Europe, as well as KPC's downstream investments in the Far East.
- (3) KPI, the Italian subsidiary of KPE, is active in refining, marketing and distributing petroleum products in Italy under the brand-name Q8. At the refining level, KPI holds a

¹ OJ L 24, 29.1.2004, p. 1 ('the Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.

² OJ L 24, 29.1.2004, p. 1 (the "Merger Regulation").

50% stake in an oil refinery in Sicily through a joint venture with Eni SpA ("ENI"). KPI is also active in Italy in the following markets: retail and non-retail motor fuels (with a retail network consisting of [...] motor fuel stations), lubricants, marine fuels (bunker), heating oil and aviation fuels (including through joint ventures).

- (4) KPE and KPI are collectively referred to as to the "Notifying Parties". Ultimately, they are both controlled by KPC.
- (5) Shell Italia and Shell Aviazione ("the Target Companies") are two entities controlled by Shell Italia Holding SpA and belonging to the Shell group of companies (the ultimate parent of which is Royal Dutch Shell plc). Shell Italia is active in the retail of motor fuels at Shell branded sites in Italy and manages supply and distribution operations related to the sale of motor fuels through its retail network. Shell Aviazione is active in marketing aviation fuels at Rome Fiumicino Airport and holds interests in joint ventures active in the provision of into-plane services and aviation fuel storage in Italian airports.

2. THE OPERATION AND THE CONCENTRATION

- (6) The transaction consists in the acquisition of the sole control by KPC, through the Notifying Parties, over the Target Companies by way of purchase of shares. According to the Share Purchase Agreement, KPE shall hold 70% of the corporate capital of each of the Target companies, with KPI holding the remaining 30%.
- (7) Therefore, the transaction constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

3. EU DIMENSION

- (8) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million³ [KPC: 110 542 EUR million; Shell Italia: EUR 1 308 million; Shell Aviazione: EUR 133 million]. Two of them have a EU-wide turnover in excess of EUR 250 million [KPC: [...] EUR million; Shell Italia: EUR [...] million; Shell Aviazione: EUR [...] million] and although the Target Companies achieve more than two-thirds of their aggregate EU-wide turnover in Italy, KPC does not.
- (9) The notified transaction therefore has an EU dimension within the meaning of Article 1(2) of the Merger Regulation.

4. COMPETITIVE ASSESSMENT

- (10) According to the Notifying Parties, the proposed transaction gives rise to several horizontal overlaps in the following Italian markets: retail sales of motor fuels, fuels cards, fuels logistic and storage and into-plane and aviation fuel storage services.⁴ The

³ Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Consolidated Jurisdictional Notice (OJ C95, 16.04.2008, p1).

⁴ Moreover, the Notifying Parties submit that the Parties are also active in the sale of Compressed Natural Gas, which can be used as an alternative fuel for gasoline powered vehicles (but not those which are diesel powered), which they consider to be part of the same retail market as the other types of fuels. However,

Notifying Parties submit that the proposed transaction does not lead to vertically affected markets.

4.1. Product market definition

4.1.1. Retail sale of motor fuels

- (11) Retail sale of motor fuels consists of sales made at all service stations, both branded and unbranded, in- and outside an integrated retail network.⁵
- (12) The Commission has consistently identified a relevant product market of the retail sale of motor fuels, with no need for a further distinction between different types of fuels (gasoline, diesel and automotive LPG).⁶ With respect to retail sales of automotive LPG in Italy the Commission left open the exact definition of the market, pointing out that the market investigation was not conclusive as to whether LPG should be considered separately from other motor fuels usually sold by retail stations.
- (13) The Commission has also considered a segmentation of the product market for the retail sale of motor fuels into motorway and non-motorway retail fuels market in the light of different purchasing patterns and of supply-side considerations.⁷ However, the exact product market definition was left open.
- (14) The Notifying Parties broadly agree with the above; however they do not consider appropriate to segment the market beyond the retail sales of motor fuels. However, they have provided information also on the narrower segmentations.
- (15) In this case the product market definition for retail sales of motor fuels can be left open as the proposed transaction does not raise serious doubts as to its compatibility with the internal market with respect to any plausible market definition.

4.1.2. Fuel cards

- (16) In a recent case⁸, the Commission has examined the fuel cards market as a separate market from other means of payment, although it left the product market definition opened. Furthermore, the Commission has also analysed the possibility of further distinguish between the market for fuel cards issuance and fuel cards reselling.
- (17) The Notifying Parties do not consider fuel cards as a separate market from retail sale of motor fuels, but mainly a means of payment by customers. They claim that retail fuel

due to the minimum sales (combined market shares are less than 1%), this market will not be further analysed. The Parties also overlap on the non-retail market but due to the minimum overlap (less than 0.1%) this market will also not be considered further in this Decision.

5 COMP/M.6167 RWA / OMV Warme (2011); COMP/M.5637 Motor Oil (Hellas) Corinth Refineries / Shell Overseas Holdings (2010), para. 29; COMP/M.5781 Total Holdings Europe SAS / ERG SpA / JV (2010), para. 16; COMP/M.5629 Normeston / MOL / Met JV (2010), para. 19. Only in case COMP/M.5846 Shell / Cosan / JV (2011) did the Commission seem to establish that only sales from an "integrated retail network" (para 16) are considered to be "retail".

6 Case COMP/M.5846 - Shell/Cosan/JV, paragraph 16 or Case COMP/M.5781 - Total Holdings Europe SAS/ERG SPA/JV, paragraph 16.

7 Case COMP/M.5005 - Galp Energia / Exxonmobil Ibéria, paragraph 13, Case COMP/M.5781 - Total Holdings Europe SAS/ERG SPA/JV ; Case No IV/M.1383 – Exxon/Mobil, paragraph 437; Case No COMP/M.1628 – TotalFina/Elf

8 Case COMP/M.7156 –Wex/Radius/European Fuel Card Business Of Esso.

volumes sold via fuel cards should be considered alongside retail fuel volumes sold via other means of payment for the following reasons:

- payment cards to purchase petroleum products are offered by retail fuel operators for either very low or no fixed fees. As such, commercial fuel card users will often have multiple cards for competing with oil companies; and
- they are not general payment instruments, given that the cards are only accepted for payments related to a limited number of goods and or services (usually offered by the issuer).

(18) Finally, the Notifying Parties' view is that fuel cards are ancillary to the KPI and Shell Italia retail activities and should therefore be examined as a secondary market whose dynamics coincide with those of the primary market (the retail sale of motor fuels).

(19) In the present case the product market definition for fuels cards can be left open as the proposed transaction does not raise serious doubts as to its compatibility with the internal market with respect to any plausible market definition.

4.1.3. Fuel logistic and storage

(20) The storage of refined oil products has previously been defined by the Commission as a distinct product market⁹, separate from relevant product markets for the storage of crude oil, vegetable oils, chemicals and gas, due to technical and commercial considerations.¹⁰ The Commission explained that the offering of storage constitutes a prerequisite for operators to gain access to markets for the final distribution of the various finished petroleum products. The Commission also previously distinguished between the provision of storage capacity using:

- import facilities with very large capacity of between 30 000 m³ to 50 000 m³, and;
- smaller secondary/coastal distribution facilities.

The Commission also considered a further sub-segmentation by distinguishing between in-house storage activities by refiners and storage by independent companies that lease it to operators active in the market.

(21) With regard to logistics systems, in previous decisions the Commission considered that pipelines transporting finished petroleum products (petrol, diesel and domestic heating oil) are logistical tools used for the collection and distribution of refined products by different petroleum operators, namely refiners, independents and supermarket chains. Independent pipeline systems are a prerequisite for the maintenance of a competitive environment in the market for the distribution of fuels.

(22) Furthermore, the Commission considered that the business of transporting finished petroleum products is generally done "in-house" by most refiners, it being they who transport the finished products from the import depot or from the refinery to their own

9 Case COMP/M.6935 Argos / Sopetral (2013); COMP/M.6261 North Sea Group / Argos Groep / JV (2011); COMP/M.4532 Lukoil / ConocoPhillips (2007); COMP/M.1621 Pakhoed/Van Ommeren (1999).

10 Case COMP/M.6935 Argos / Sopetral (2013); COMP/M.6525 SESA / DISA / SAE / JV (2012); COMP/M.6463 Marquard & Bahls / Bominflot (2012); COMP/M.4532 Lukoil / ConocoPhillips (2007); COMP/M.1621 Pakhoed/Van Ommeren (1999); COMP/M.1464 Total / Petrofina (II) (1999).

storage infrastructures. Historically refiners have always collectively held the majority of shares in the companies which operate the pipelines. These same refiners are also the main users, and hence the main customers, of the pipeline operators. However, access to the pipelines may also be open to customers who are neither refiners nor necessarily shareholders in the pipeline operating companies, such as supermarkets. The Commission therefore concluded that a market for services related to the transport of refined products by pipeline should be considered.

- (23) The Notifying Parties do not consider the distinction between logistics and storage and further between primary and secondary storage to be appropriate as Italy lacks a bulk transportation network comparable to the one of other Member States and as a consequence all the steps of the distribution process in Italy are mainly done by truck.
- (24) In the present case the product market definition for storage can be left open as the proposed transaction does not raise serious doubts as to its compatibility with the internal market with respect to any plausible market definition.

4.1.4. Into-plane and aviation fuel storage services

- (25) In previous decisions, the Commission has considered that the retail or into-plane supply (or "fuelling service") comprises supply of aviation fuel at the airport under contracts with the airlines and arrangements with servicing companies that operate the airport fuelling infrastructures (storage, hydrant pipelines) and perform the actual, physical into-plane fuelling services with tank trucks to the plane for a fee paid by the suppliers.¹¹
- (26) The Notifying Parties take the view that the market can be further segmented in (i) commercialisation of jet fuel, (ii) airport storage activity, and (iii) into-plane services.
- (27) In the present case the product market definition for into-plane supply of jet fuel can be left open as the proposed transaction does not raise serious doubts as to its compatibility with the internal market with respect to any plausible market definition.

4.2. Geographic market

4.2.1. Retail sales of motor fuels

- (28) In previous Commission's decisions the geographic market for retail sales of motor fuels was defined as national in scope.¹² However, the Commission has also pointed that there is a strong local element of the retail fuel market.¹³ For the motorways segment, the Commission has previously analysed the market at the level of each motorway, but also taking into account the specificity of each geographic area.¹⁴
- (29) The Notifying Parties submit that there are strong indications of a national market for retail sales of motor fuels in Italy due to extensive overlaps in the catchment areas of

11 See case COMP/M.5880 – Shell/Topaz/JV of 4 November 2010, §17. See also cases COMP/M.5422 - STATOILHYDRO / ST1 / ST1 AVIFUELS of 22 December 2008, para 11; COMP/5005 – Galp Energia/Exxonmobil Iberia of 31 October 2008, §21 and COMP/M.3110 – OMV/BP (Southern Germany Package) of 11 June 2003, para 19 (in this case, the exact market definition was left open).

12 Case IV/M.1383 – Exxon/Mobil, Case No COMP/M.1628 – TotalFina/Elf.

13 Case COMP/M.5781 – Total Holding Europe Sas/ERG spa/JV.

14 Case COMP/M.1628 – TotalFina/Elf.

individual service stations proximate to each other ("knock on effect"), covering the whole of Italy, where all major market players are active. However, they submitted data on the narrowest regional level.

- (30) In the present case the geographic market definition for retail sales of motor fuels can be left open as the proposed transaction does not raise serious doubts as to its compatibility with the internal market with respect to any plausible geographic definition.

4.2.2. Fuel cards

- (31) In its recent case,¹⁵ the Commission has considered this market at least national, potentially EEA-wide, whilst admitting that the UK and Ireland may be somewhat separate from the rest of Europe.
- (32) The Notifying Parties consider that assessing fuel cards activities at a national level is appropriate in this case as an important parameter of competition is network coverage and both Parties (through their existing networks and arrangements with partner networks) offer national coverage to their cards customers.
- (33) Taking into account that in the present case KPI and Shell Italia overlap only in Italy, the geographic market definition for fuel cards can be left open as the proposed transaction does not raise serious doubts as to its compatibility with the internal market with respect to any plausible geographic definition.

4.2.3. Fuels logistic and storage

- (34) In previous decisions the Commission has regarded the geographic scope of the market for the lease of storage depots as depending on the size of the relevant Member State. Therefore, the scope of the market can be national, regional or limited to a radius that in average does not exceed 150 kilometres around the relevant storage depot.¹⁶
- (35) The Notifying Parties take the view that the geographic scope of the market should be wider than regional, encompassing five macro regions within Italy: North West, North East, Centre, South and Islands.
- (36) In the present case the geographic market definition for fuel logistics and storage can be left open as the proposed transaction does not raise serious doubts as to its compatibility with the internal market with respect to any plausible geographic definition.

4.2.4. Into-plane and aviation fuel storage services

- (37) The Commission has previously defined geographic markets for into-plane service on a local scope, i.e. on the basis of individual airports.¹⁷

15 Case COMP/M.7156 –Wex/Radius/European Fuel Card Business Of Esso.

16 COMP/M.1464 Total / Petrofina (II) (1999), §§ 29, 30; COMP/M.6525 SESA / DISA / SAE / JV (2012), para. 30; COMP/M.1628 TotalFina / Elf (2000), para. 48; COMP/M.6261 North Sea Group / Argos groep / JV (2011), paragraphs 42 – 43.

17 See Cases COMP/M.1383 Exxon / Mobil (1999) and COMP/M.3110 OMV/BP (Southern Germany Package) (2003); COMP/M.5005 Galp Energia / Exxonmobil Iberia (2008).

(38) The Notifying Parties agree with this view. However, in the present case the geographic market definition for into plane services can be left open as the proposed transaction does not raise serious doubts as to its compatibility with the internal market with respect to any plausible geographic definition.

4.3. Competitive assessment

4.3.1. Retail sale of motor fuels

(39) On the retail sale of motor fuels, both KPI and Shell Italia are active on the Italian territory. In 2012 the total volume of the Italian market for retail sales of motor fuel was approximately 24 million tons, being considered the largest retail fuel market in Europe with 23 143 sites in 2012.¹⁸

(40) The estimated combined market shares of the KPI and Shell Italia at national level reach just [10-20] % on motorway segment and [10-20]% on the non-motorways segment.

(41) On the non-motorway segment, at local level, there are 18 provinces for which the combined market shares of the KPI and Shell Italia exceed 20%. According to an economic study submitted by the Notifying Parties, out of all these, in only one of them the combined market shares exceed [20-30] % (i.e. in Avellino). However, in all these provinces, there are strong competitors that will continue to constrain the merged entity after the proposed transaction, such as ENI, Esso, Tamoil, Totalerg, etc.

(42) In the province of Avellino, the post transaction combined market share is estimated at [40-50]% but the increment will be minimal accruing to [0-5]%. In this province ENI and ESSO are present with market shares of [10-20]% and [10-20]% respectively. A number of other competitors are active with lower market shares (API/IP [5-10]%, TotalErg [0-5]%, Tamoil [0-5]%). Shell Italia has a negligible position with an estimated market share of [0-5]% (1 gas station). Therefore Shell does not exert a significant competitive constraint in the market and post transaction KPI will face the same degree of competition from the existing competitors.

(43) From a price perspective, price differentiation is limited in the retail fuel market in Italy. The economic study submitted by the Notifying Parties shows that the CCP Index (which measures the perceived competitiveness of a brand in the eyes of customers using the brand at least once in the last 5 visits), is very similar for all branded suppliers (Shell, ENI, Esso, IP/API, Q8, Tamoil and Total).

(44) As regards the closeness of competition between the KPI and Shell Italia, from a brand perspective, the Parties' approach can also be differentiated. KPI is perceived as a more traditional customer-oriented oil company, whilst Shell as a supplier of premium fuels. Also the Parties' retail network structure differentiates KPI from Shell Italia. KPI introduced the first fully unmanned service stations under the "Q8easy" brand and this kind of petrol station now accounts for [...] out of [...] sites of the KPI retail network, while Shell Italia does not have any unmanned petrol stations in Italy.

(45) The Notifying Parties submit that all these features are equally applicable for all 18 provinces where aggregate market shares exceed 20%.

18 Form CO.

- (46) As regards the motorway segment, the Notifying Parties have taken into consideration a very narrow analysis of each motorway and concluded that there is only one motorway (i.e. A21 Torino-Brescia) where KPI and Shell Italia stations are within a distance of 100 km from one another and there are no stations of competitors between them. On the A21 Shell station is located at km 91 and Q8 station at km 48. However, in a radius of 100 km from each of KPI and Shell station there is always a competitor station: API/IP at km 13 and ENI at Km 130 representing a relevant competitive constraint to KPI and Shell. In fact, on Italian motorways there are billboards with price indications located approximately every 150 km in the same direction of travel. This allows price sensitive customers to shop around for cheaper fuel if they wish. Moreover, both KPI's and Shell's stations are operated by independent third party dealers. While the dealers have a supply agreement with KPI and Shell respectively for the supply of branded fuels, they determine the retail price independently. Therefore, the parties are not able to directly influence or coordinate pricing at the gas stations in question.
- (47) Should the segment of LPG be considered as a separate market, than the combined market shares of the Parties at the narrowest geographic level would be less than [10-20]% and therefore no competition concern would arise.
- (48) In conclusion, considering the moderate market shares of the Parties, taking into account the existence of other strong competitors and the fact that the Parties do not appear to be close competitors in this market, the proposed transaction would not give rise to serious doubts as to the compatibility of the notified transaction with the internal market on the retail sales of motor fuels.

4.3.2. Fuel cards

- (49) KPI and Shell Italia are both active in the supply of fuel cards to commercial fleet and Heavy Goods Vehicle ('HGV') customers in Italy, offering fuel cards which are primarily domestic in scope.
- (50) KPI is outsourcing a number of administrative activities associated with the supply of fuel cards to customers (e.g. printing and delivery of invoices, embossing, production and dispatch of fuel cards). KPI issues two kinds of cards for businesses: Cartissima, which is issued to both commercial fleet and HGV customers and can be used only in Italy at Q8 branded sites, and IDS, which is targeted at long haul and international HGV commercial customers and can be used in Italy as well in other European Countries at dedicated IDS truck stops as well as selected Q8 branded retail sites that are capable of accommodating HGVs. Shell Italia offers to commercial HGV and fleet operators euroShell B2B fuel cards which can be configured to enable single network access (i.e. only Shell sites) or multi-network access (to include partner sites, e.g., Esso, API, Tamoil, Q8) and domestic or pan-European acceptance.
- (51) The combined market shares of the KPI and Shell Italia did not exceed 20% in 2012 (KPI [5-10]% and Shell Italia [10-20]%). The Notifying Party submits that even after the proposed transaction, ENI will be their main competitor with an estimated market share of [30-40]% together with two other competitors, i.e. TotalERG and Esso, with market shares comparable to the one of the merged entity. Tamoil and API are also indicated as active in this sector.
- (52) Due to the low market shares of the KPI and Shell Italia and the existence of other strong competitors in this market that will continue to constraint the merged entity, the

proposed transaction would not give rise to serious doubts as to the compatibility of the notified transaction with the internal market on the fuels cards market.

4.3.3. Fuels logistic and storage

- (53) In the market for logistics and storage, the post transaction combined market shares of the KPI and Shell Italia, irrespective of how the market is defined, will be below 20%.
- (54) Taking into account all storage facilities having a capacity of more than 3 000 cubic meters, the estimated combined market shares of KPI and Shell will be equal to:
- [10-20]% in the North West region, with ENI being the strongest player having an estimated market share of [20-30]% and a number of other players will have similar or larger market shares;
 - [5-10]% in the North East region, with no increment as KPI does not have any activity within this region;
 - [0-5]% in the Centre region, with ENI and TotalErg having market shares of [20-30]% and [10-20]% respectively;
 - In the South of Italy and Islands, there is no overlapping activity of KPI and Shell Italia.
- (55) If a segmentation of the market according to primary and secondary depots is adopted, KPI and Shell Italia would overlap only in primary depots in the North of Italy where they both hold a participating interest in the SIGEMI storage facility and Shell Italia has a participating interest in the Visco-Trieste system.
- (56) In the North of Italy, the estimated combined market share of KPI and Shell Italia in the primary depots sector would be [10-20]%. On this market, ENI would remain the larger player with an estimated market share of [20-30]% and a number of other players with market shares between 4% and 10% will remain.
- (57) On the market for secondary depots, KPI and Shell Italia's overlap will be limited to the centre of Italy, where both of them hold a participating interest in the DECO facility. Following the proposed transaction DECO will remain subject to joint control with TotalErg which owns 50% of the share capital.
- (58) Albeit not being able to provide exact figures, the Notifying Parties estimate that the total capacity in the region exceeds 20 000 cubic meters while they jointly have an aggregate storage capacity of [...] cubic meters. Their estimated market share is therefore lower than 20%.
- (59) Due to the low market shares of KPI and Shell Italia, the prominent position of ENI on the market and the existence of other strong competitors that will continue to constraint the merged entity, the proposed transaction will not give rise to serious doubts as to the compatibility of the notified transaction with the internal market on the logistics and storage market.

4.3.4. Into-plane and aviation fuel storage services

- (60) On the market for aviation fuel storage activities, following the transaction KPI and KPE will acquire:

- Shell Aviazione participating interest in Seram (Shell 12,5%, KPI 12,5%, TotalErg 37,5%, ENI 25% and Esso 12,5%), active in storage and hydrant systems in Rome Fiumicino Airport. Following the proposed transaction therefore KPI will own a participating interest equal to 25% in Seram.
 - Shell Aviazione participating interest in DISMA (ENI 25%, KPI 12,5%, Shell 12,5%, SEA 18,7%, TotalErg 18,7%, Esso 12%). Disma is active in storage and hydrant system at Milan Malpensa Airport.
 - If the remaining shareholders do not exercise the pre-emption right they enjoy, Shell Aviazione's participating interest in Rifornimenti Aeroporti Italiani S.r.l. ("RAI"), equal to 33% of the share capital. RAI is active in into-plane services in Rome Fiumicino and Milan Malpensa and in storage and into-plane services in Milan Linate.
- (61) Following the proposed transaction, the competitive situation for aviation fuel storage and into-plane services at Milan Linate, Milan Malpensa and Rome Fiumicino airports will not change as the players on the market will remain the same. The proposed transaction will in fact impact only the composition of the shareholding of the current players.
- (62) Seram and DISMA are the only storage facility available at the respective airports and are subject to regulatory constraints to ensure access to third parties.
- (63) With regard to into-plane services, RAI, in the event it will be part of the transaction, will face competition from Skytanking at Milan Linate, Milan Malpensa and Rome Fiumicino. Particularly, the estimated market share of RAI will be [30-40]% of the market in Rome Fiumicino, [50-60]% of the market in Milan Malpensa and [20-30]% of the market in Milan Linate. The transaction will not bring about any increment in RAI's market share and KPI is not active in any of the above airports.
- (64) In light of the above, the proposed transaction would not give rise to serious doubts as to the compatibility of the notified transaction with the internal market on the into-plane and aviation fuel storage service.

5. CONCLUSION

- (65) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation.

For the Commission

(Signed)

Joaquín ALMUNIA

Vice-President