



OPINION

of the ADVISORY COMMITTEE on MERGERS

given at its meeting of 1st July 2011

regarding a draft decision relating to

CASE COMP/M.6101 – UPM/MYLLYKOSKI AND RHEIN PAPIER

Rapporteur : CYPRUS

1. The Advisory Committee agrees with the Commission that the notified operation constitutes a concentration within the meaning of the Council Regulation No 139/2004 (the "Merger Regulation").
2. The Advisory Committee agrees with the Commission that the notified operation has an EU dimension within the meaning of the Merger Regulation.
3. The Advisory Committee agrees with the Commission that, for the purpose of assessing the present operation, the definitions of the relevant **product markets** are:
 - a) the market for magazine paper, comprising all grades of coated mechanical reels ("CMR") machine finished coated (MFC") paper) and supercalendered paper ("SC"), including SC-B equivalent paper, whereas it is not necessary to conclude whether the market should be defined more broadly as the market for magazine paper or more narrowly as a market for SC paper (including SC-B equivalent paper) in this case;
 - b) the market for newsprint, whereas it is not necessary to conclude on the exact product market definition in this case;
 - c) the market for acquisition of recovered paper, whereas it is not necessary to conclude on the exact product market definition in this case;
 - d) the market for wood procurement, whereas it is not necessary to conclude on the exact product market definition in this case;
 - e) the market for production of wood pulp, whereas it is not necessary to conclude on the exact product market definition in this case;
 - f) the market for generation and wholesale of electricity, whereas it is not necessary to conclude on the exact product market definition in this case;
 - g) the market for production of wood panels, whereas it is not necessary to conclude on the exact product market definition in this case;
 - h) the market for production of sawn timber, whereas it is not necessary to conclude on the exact product market definition in this case.

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4. The Advisory Committee agrees with the Commission that, for the purpose of assessing the present operation, the definitions of the relevant **geographic markets** are:
 - a) for all markets for magazine paper and its potential segments: the EEA plus Switzerland;
 - b) for all markets for newsprint: the EEA plus Switzerland;
 - c) for all markets for acquisition of recovered paper: it is not necessary to conclude on the exact geographic market definition in this case;
 - d) for all markets for wood procurement: it is not necessary to conclude on the exact geographic market definition in this case;
 - e) for all markets for production of wood pulp: it is not necessary to conclude on the exact geographic market definition in this case;
 - f) for all markets for generation and wholesale of electricity: it is not necessary to conclude on the exact geographic market definition in this case;
 - g) for all markets for production of wood panels: it is not necessary to conclude on the exact geographic market definition in this case;
 - h) for all markets for production of sawn timber: it is not necessary to conclude on the exact geographic market definition in this case.
 5. The Advisory Committee agrees with the Commission that the proposed concentration does **not significantly impede effective competition** in the internal market or in a substantial part of it in the following markets:
 - a) all markets for magazine paper, regardless of the precise market definition;
 - b) all markets for newsprint;
 - c) all markets for acquisition of recovered paper;
 - d) all markets for wood procurement;
 - e) all markets for production of wood pulp;
 - f) all markets for generation and wholesale of electricity;
 - g) all markets for production of wood panels;
 - h) all markets for production of sawn timber.
 6. The Advisory Committee agrees with the Commission's view that the notified concentration should **be declared compatible** with the internal market and the EEA Agreement in accordance with Articles 2(2) and 8(1) of the Merger Regulation and Article 57 of the EEA Agreement.
 7. The Advisory Committee recommends the publication of its Opinion in the Official Journal of the European Union.

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