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COMP/M.6807 - MERCURIA ENERGY ASSET MANAGEMENT / SINOMART KTS DEVELOPMENT / VESTA TERMINALS

SECTION 1.2

Description of the concentration

1. The notification concerns the acquisition of joint control by Mercuria Energy Group Limited ("Mercuria") and China Petrochemical Corporation ("Sinopec") over Vesta Terminals B.V. ("Vesta"). Vesta is currently a wholly-owned subsidiary of Mercuria.
2. Mercuria is the holding company of an international group operating in a wide spectrum of the global energy markets. Mercuria's core activities are in the trading of energy products, including crude oil and refined petroleum products, natural gas (including LNG), power, coal, biodiesel, vegetable oils and carbon emissions.
3. Sinopec is a Chinese State-owned entity. Its main business activities are domestic (i.e. in China) oil and gas exploration, development and production; domestic crude oil refining; the marketing and distribution of refined oil products in China; domestic production and sales of petrochemical products and oil; and domestic petrochemical engineering technical services.
4. Vesta is active in the storage of petroleum products and biodiesel at terminals located at three ports in Europe, namely Antwerp (Belgium), Flushing (Vlissingen, The Netherlands) and Muuga in Tallinn (Estonia.)
5. The proposed transaction will not significantly impede effective competition, nor will it lead to any risk of anti-competitive co-ordination between independent undertakings. Further, to the best of the parties' knowledge, it fulfils the criteria for treatment under the simplified procedure, as set out in paragraph 5(c) of the *Commission Notice on a simplified procedure for treatment of certain concentrations under Council Regulation 139/2004*. This is because:
 - there are no horizontal overlaps between the Parties' activities and those of Vesta, and no markets in the EEA in which the Parties have a combined market share (horizontal relationship) of 15% or more; and
 - the individual or combined market shares of the Parties in any upstream/downstream markets (vertical relationship) in the EEA or in its Member States are less than 25%.