



OPINION

of the ADVISORY COMMITTEE on MERGERS

given at its meeting of 22 April 2014

regarding a draft decision relating to

Case COMP/M. 6905 INEOS/SOLVAY /JV

Rapporteur : ESTONIA

1. The Advisory Committee agrees with the Commission that the notified transaction constitutes a concentration within the meaning of Article 3(1)(b) and 3(4) of the Merger Regulation.
2. The Advisory Committee agrees with the Commission that the notified transaction has an EU dimension within the meaning of the Merger Regulation.
3. The Advisory Committee agrees with the Commission's definitions of the relevant product and geographic markets as stated in the draft decision.
4. In particular, The Advisory Committee agrees with the Commission that:
 - Commodity S-PVC, including all K-values but excluding HIS-PVC and other copolymers, constitutes the relevant product market.
 - the geographic scope of the market for Commodity S-PVC is smaller than the whole EEA and as wide as NWE or at best NWE+.
5. The Advisory Committee agrees with the Commission's assessment that the notified transaction is unlikely to give rise to horizontal effects that would lead to a significant impediment of effective competition in the following affected markets: (i) butadiene, (ii) raffinate1, (iii) chlorine, (iv) caustic soda, (v) VCM, (vi) hydrochloric acid, (vii) E-PVC, (viii) methylene chloride, (ix) chloroform.
6. The Advisory Committee agrees with the Commission's assessment that the notified transaction is unlikely to give rise to vertical effects that would lead to a significant impediment of effective competition in the following affected markets: (i) propylene and allyl chloride, (ii) chlorine and EDC, (iii) chlorine and chlorine production technologies, (iv) chlorine and electrocoating, (v) salt and caustic soda, (vi) salt and sodium hypochlorite, (vii) chlorine production technologies and caustic soda, (viii) chlorine production technologies and sodium hypochlorite, (ix) electrocoating and caustic soda, (x) electrocoating and sodium hypochlorite, (xi) EDC and EDC/VCM technologies, (xii) EDC and VCM, (xiii) VCM and EDC/VCM technologies, (xiv)

- EDC catalysts and EDC, (xv) E-PVC and VCM, (xvi) S-PVC and S-PVC technologies, (xvii) S-PVC and PVC additives, (xviii) E-PVC and PVC additives, (xix) S-PVC and S-PVC compounds, (xx) carbon tetrachloride and perchloroethylene, (xxi) carbon tetrachloride and HFC-365mfc.
7. The Advisory Committee agrees with the Commission's assessment that the notified transaction removes INEOS' most significant competitive constraint in the NWE Commodity S-PVC market and combines the activities of the first and second suppliers, creating an undisputed market leader with market shares or more than 50% and a significant gap vis-à-vis other S-PVC suppliers.
 8. The Advisory Committee agrees with the Commission's assessment that the notified transaction, as originally proposed by the notifying parties, is likely to give rise to non-coordinated horizontal effects that would significantly impede effective competition on the NWE (or at best NWE+) market for commodity S-PVC.
 9. The Advisory Committee agrees with the Commission's assessment that the notified transaction, as originally proposed by the notifying parties, is likely to give rise to non-coordinated horizontal effects that would significantly impede effective competition on the Benelux market for sodium hypochlorite.
 10. The Advisory Committee agrees with the Commission that the final commitments offered by the notifying parties on 13 April 2014 address the competition concerns identified by the Commission on the markets for commodity S-PVC and sodium hypochlorite.
 11. The Advisory Committee agrees with the Commission that, subject to the full compliance with the final commitments offered by the notifying parties on 13 April 2014, the notified transaction is not likely to significantly impede effective competition in the internal market or in a substantial part of it.
 12. The Advisory Committee agrees with the Commission that the notified transaction must therefore be declared compatible with the internal market and the functioning of the EEA Agreement in accordance with Article 2(2) and 8(2) of the Merger Regulation and Article 57 of the EEA Agreement.
