



EUROPEAN COMMISSION  
COMPETITION DG

Directorate R  
**Unit R.2 COMP-MEETINGS**

## **OPINION**

**of the ADVISORY COMMITTEE on MERGERS**

**given at its meeting of 2 May 2018**

**regarding a draft decision relating to**

**Case COMP/M.8444 – ArcelorMittal/Ilva**

**Rapporteur: BULGARIA**

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### **Operation**

1. The Advisory Committee (10 Member States) agrees with the Commission that the Transaction constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

### **Union Dimension**

2. The Advisory Committee (10 Member States) agrees with the Commission that the Transaction has a Union dimension pursuant to Article 1(2) of the Merger Regulation.

### **Product Markets**

3. The Advisory Committee (10 Member States) agrees with the Commission that the relevant product market for the production and supply of semi-finished flat carbon steel products (slabs) can be left open.
4. The Advisory Committee (10 Member States) agrees with the Commission's definitions of the relevant product markets for the production and supply of finished flat carbon steel products and in particular:
  - 4.1. Hot rolled (excluding quarto plates) and cold rolled flat carbon steel products constitute distinct product markets; and
  - 4.2. The exact product market definition regarding galvanised steel, metallic coated steel for packaging and organic coated steel products can be left open.
5. The Advisory Committee (10 Member States) agrees with the Commission that, in the context of the present case, commodity and high-end products should not constitute distinct markets but that the markets for the production and supply of finished flat carbon steel products are differentiated between commodity and high-end products.
6. The Advisory Committee (10 Member States) agrees with the Commission that the exact product market definitions for products downstream of the production and supply of

finished flat carbon steel products (e.g. steel distribution and welded tubes) can be left open.

### Geographic markets

7. The Advisory Committee (10 Member States) agrees with the Commission that the relevant geographic market for the production and supply of semi-finished flat carbon steel products (slabs) can be left open.
8. The Advisory Committee (10 Member States) agrees with the Commission's definitions of the relevant geographic markets for the production and supply of finished flat carbon steel products and in particular:
  - 8.1. The markets for hot rolled, cold rolled and galvanised (regardless of exact product market definition) steel are EEA-wide but that they are geographically differentiated between different regions of the EEA;
  - 8.2. It can be left open whether the Nordics are part of the same relevant geographic markets with the rest of the EEA; and
  - 8.3. The exact geographic market definitions for metallic coated steel for packaging and organic coated steel can be left open.
9. The Advisory Committee (10 Member States) agrees with the Commission's definitions of the relevant geographic markets for products downstream of the production and supply of finished flat carbon steel products and in particular:
  - 9.1. The markets for the distribution of flat carbon steel products are national in the context of the present case; and
  - 9.2. The exact geographic market definition for other downstream markets can be left open.

### Competitive Assessment

10. The Advisory Committee (10 Member States) agrees with the Commission's assessment that the Transaction **would significantly impede effective competition due to horizontal non-coordinated effects** with regard to the production and supply of:
  - 10.1. Hot rolled flat carbon steel (excluding quarto plates);
  - 10.2. Cold rolled flat carbon steel; and
  - 10.3. Galvanised flat carbon steel, regardless of the exact product market definition.
11. The Advisory Committee (10 Member States) agrees with the Commission's assessment that the Transaction **would not significantly impede effective competition due to horizontal non-coordinated effects**, regardless of the exact product market definitions, with regard to:
  - 11.1. Production and supply of metallic coated steel for packaging;
  - 11.2. Production and supply of welded carbon steel tubes; and
  - 11.3. Distribution of flat carbon steel products.
12. The Advisory Committee (10 Member States) agrees with the Commission's assessment that the Transaction **may lead to horizontal coordinated effects** in the markets for the production and supply of hot rolled, cold rolled and galvanised flat carbon steel products in the EEA but that **it is not necessary to conclude on the issue in view of the Final Commitments**.

13. The Advisory Committee (10 Member States) agrees with the Commission's assessment with regard to vertical links / non-horizontal effects.

### **Commitments**

14. The Advisory Committee (10 Member States) agrees with the Commission that the Final Commitments address the competition concerns in relation to the production and supply of:
- 14.1. Hot rolled flat carbon steel;
  - 14.2. Cold rolled flat carbon steel; and
  - 14.3. Galvanised flat carbon steel, regardless of the exact product market definition.
15. The Advisory Committee (10 Member States) agrees with the Commission that the Final Commitments sufficiently ensure the viability of the Divestment Businesses.
16. The Advisory Committee (10 Member States) agrees with the Commission that, subject to full compliance with the Final Commitments, the Transaction would not significantly impede effective competition in the internal market or a substantial part of it.

### **Compatibility with the Internal Market**

17. The Advisory Committee (10 Member States) agrees with the Commission that the Transaction should therefore be declared compatible with the internal market and the EEA Agreement in accordance with Articles 2(2) and 8(2) of the Merger Regulation and Article 57 of the EEA Agreement.

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