



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 7.11.1997

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

Dear Sirs,

**Subject: Case No IV/M. 1018-GE CAPITAL/WOODCHESTER.**

Notification of 9.10.1997 pursuant to Article 4 of Council Regulation No 4064/89

1. On 9.10.1997, the Commission received the notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which the GENERAL ELECTRIC CAPITAL CORPORATION ("GE Capital"), acquires control of WOODCHESTER INVESTMENT plc ("Woodchester") by way of purchase of shares.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and the functioning of the EEA agreement.

**I. THE PARTIES' ACTIVITIES AND THE OPERATION**

3. GE Capital is a wholly-owned subsidiary of General Electric Capital Services, Inc., which is in turn a wholly-owned subsidiary of the US corporation, General Electric Company ("GE"), a large and diversified industrial and services group with operations world-wide. Through GE Capital, GE operates in several finance industry sectors and in a specialty insurance industry sector.
4. Woodchester, an Irish financial services group, is controlled by the Crédit Lyonnais Group ("Crédit Lyonnais"), which currently owns approximately 53% of its shares. Its principal activities consist of the provision of leasing and instalment credit finance in the areas of vehicle and business equipment, focussed mainly on Ireland, the UK, Denmark and Portugal.

5. On 23 September 1997, the boards of Woodchester and GE Capital agreed the terms of recommended cash offers which were made on 21 October 1997 on behalf of GE Capital for the purpose of acquiring the whole of the issued share capital of Woodchester. Crédit Lyonnais has irrevocably undertaken to accept the offers in respect of its entire shareholding of Woodchester. After the completion of the operation, GE Capital will acquire control of Woodchester. Thus the operation constitutes a concentration according to Article 3(1)(b) of the Merger Regulation.

## **II. COMMUNITY DIMENSION**

6. The combined aggregate world-wide turnover of GE and Woodchester exceeds ECU 5.000 million. The turnover for the non-financial activities of GE amounts to ECU [...] <sup>1</sup> million. The turnover of Woodchester calculated in accordance with Article 5 of the Merger Regulation, exceeds ECU 324 million. Each of them has a Community-wide turnover in excess of ECU 250 million, and they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension.

## **III. COMPETITIVE ASSESSMENT**

### **a) Relevant product market**

7. The areas in which the parties' activities overlap relate principally to financing the use of assets. Both GE Capital and Woodchester finance a wide range of equipment including plant and machinery, office equipment, computers, telecommunications equipment ("equipment"). Similarly both parties provide finance in respect of passenger and commercial vehicles ("vehicles").
8. Equipment finance and vehicle finance are areas of asset finance within the broader lending sector where banks, specialised companies and other finance institutions operate.
9. However, for the purposes of the present case, it is not necessary to further delineate the relevant product market since, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

### **b) Relevant geographic market**

10. From a geographic point of view, the lending services provided by banks, specialised finance companies and other finance institutions for the financing of assets have tended to be considered national in scope in previous Commission decisions.
11. However, for the purposes of the present case it is not necessary to further delineate the relevant geographic market since, in all alternative market definitions

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<sup>1</sup> Deleted business secret.

considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

c) **Assessment**

12. The notifying party, GE Capital, submits that there are no affected markets in this case and, according to the information it has supplied to the Commission, the parties to the concentration are not engaged in any area of business activities where the concentration leads to a combined market share of 15% or more.

13. The principal areas of the asset finance sector in which the parties' activities overlap are :

- Equipment finance in the United Kingdom and in Denmark, in which the parties' combined share does not exceed [...] <sup>2</sup> in either of the countries concerned;

- Vehicle finance in the United Kingdom, Denmark and Portugal, in which the parties' combined share does not exceed [...] <sup>3</sup> in any of the countries concerned.

After the operation the asset finance sector in each of the above-mentioned countries will remain fragmented with a large number of finance companies and banks on it.

d) **Conclusion**

14. Given the lack of any significant competitive impact due to the present operation, it is considered that the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

**IV. CONCLUSION**

15. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and the functioning of the EEA agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,

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<sup>2</sup> Deleted business secret : less than 15%.

<sup>3</sup> Deleted business secret : less than 15%.

