

***Case No IV/M.1270 -
KNP BT / ALLIUM***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 03/09/1998

*Also available in the CELEX database
Document No 398M1270*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03. 09. 1998

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying parties

Dear Sirs,

Subject: Case No IV/M. 1270 - KNP BT / ALLIUM

Notification of 03.08.1998 pursuant to Article 4 of Council Regulation No 4064/89

1. On 03.08.1998, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89¹ by which the Dutch company NV KONINKLIJKE KNP BT ("KNP BT"), which changed its name to BUHRMANN on the 30 of July, will acquire within the meaning of Article 3(1)(b) of the Council Regulation sole control over the French Groupe ALLIUM S.A. ("ALLIUM").
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 with the EEA Agreement.

I. THE PARTIES' ACTIVITIES AND THE OPERATION

3. The business activities of the undertakings concerned are:
 - for KNP BT : merchanting, distribution of office products, graphic systems and information systems.

¹ OJ L 395, 30.12.1989 p. 1; corrected version OJ L 257 of 21.9.1990, p. 13; as last amended by Regulation (EC) No 1310/97, OJ L 180, 9. 7. 1997, p. 1, corrigendum in OJ L 40, 13.2.1998, p. 17.

- for ALLIUM : distribution of professional personal computers (PC) and services in the field of PC, notably maintenance, engineering and training services. ALLIUM is mainly active in France, where it achieves at least 90% of its turnover.
- 4. Prior to the concentration, ALLIUM was jointly controlled by KNP BT and the French bank Société Générale. The joint control resulted from a transaction, by which KNP BT and Société Générale combined all their respective activities in France in the above mentioned sector, through a 50-50 joint venture, to which Société Générale also contributed activities operated in the same field outside France².
- 5. The present transaction involves the purchase by KNP BT of the 50% shareholding held by a subsidiary of Société Générale. As a result, KNP BT will acquire sole control over ALLIUM, within the meaning of Article 3 of the Merger Regulation.

II. COMMUNITY DIMENSION

- 6. The combined aggregate world-wide turnover of the undertakings concerned exceeded 5,000 million ECU in 1997 (KNP BT: ECU 5,026 million; ALLIUM: ECU 652 million). The aggregate Community-wide turnover of each of at least two of the undertakings concerned was more than 250 million ECU (KNP BT: ECU 3,817 million; ALLIUM: ECU 652 million). The undertakings concerned do not generate more than two-thirds of their respective aggregate Community-wide turnovers within one and the same Member State. The notified operation therefore has a Community dimension, but does not constitute a cooperation case under the EEA Agreement, pursuant to Article 57 of that Agreement.

III. COMPETITIVE ASSESSMENT

A. Relevant product and geographic markets

- 7. The parties distinguish three relevant product markets: distribution of computer products, maintenance, and engineering for the professional PC market, and submit that these markets are national. A similar approach was followed in the previous case (IV/M.640) which dealt with the creation of the JV. However, it is not necessary to further delineate the relevant markets because, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

B. Assessment

- 8. The operation consists in the passing from joint to sole control of KNP BT on ALLIUM. It will thus not result in any addition of market share. Furthermore, as far as the markets for distribution of computer products, maintenance and engineering for the professional PC remain national, there is no overlap between the parties: prior to the operation KNP BT was active in the Netherlands, Belgium, Germany, the UK and Ireland, whereas ALLIUM is mainly active in France, and to a small extent in Spain and Italy. In any event, the market shares are modest, at either European or national levels. The highest market position of the parties is reached by ALLIUM with a market share of [between 10% and 20%] in the computer distribution sector in France. On this market, there are still numerous competitors and ALLIUM must also face the competition from the computer manufacturers' direct sales.

² See case IV/M.640 – KNP BT / Société Générale - Art. 6(1)(b); decision of 3 October 1995.

9. It can be concluded from the above, 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.

V. CONCLUSION

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

For the Commission,