



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 18.09.1998

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

**Subject: Case No IV/M. IV/M.1300 - ALLIED SIGNAL/AMP**

Notification of 17 August 1998 pursuant to Article 4 of Council Regulation No 4064/89

1. On 17 August 1998, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which the undertaking Allied Signal Inc. acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the undertaking AMP Inc. by way of public bid.
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. Allied Signal has commenced on 10 August 1998 a public tender offer for all voting securities of AMP. Allied Signal is a diversified US company that has as core activities aerospace products, automotive products and engineered materials (polymers, special chemicals and electronic materials). AMP manufactures and markets a broad range of electronic, electrical and electro-optic connection devices. The production of these connectors focuses on four business areas: personal computers, automotive, communication and consumer/industrial/power technology.

## **II. COMMUNITY DIMENSION**

4. Allied Signal and AMP have a combined aggregate worldwide turnover in excess of ECU 5,000 million (Allied Signal, ECU 12,760 million; and AMP, ECU 5,060 million ). Each of them has a Community-wide turnover in excess of ECU 250 million (Allied Signal, ECU 2,600 million; and AMP, ECU 1,500 million), but 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, but does not constitute a cooperation case under the EEA Agreement, pursuant to Article 57 of that Agreement.

## **III. COMPETITIVE ASSESSMENT**

### **A. Relevant product markets**

5. The main business of AMP is the production of connectors and cables. The parties argue that connectors are commodity-like products, which are used across broad industry segments. Although it cannot be excluded that connectors for different uses may make up separate markets, it is not necessary to further delineate the relevant product 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. Both parties also produce or distribute multilayer laminates and printed circuit board segments.

### **B. Relevant geographic markets**

The relevant geographic market for connectors appears to be worldwide with the exception of electrical connectors where the geographic market will be defined by the applicable standards. The market of connectors for products with a military purpose may also be smaller. However, it is not necessary to further delineate the relevant geographic markets because, in all alternative geographic market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

### **C. Assessment**

6. In multilayer laminates and printed circuit board segments there may be a very small overlap but the market position of both parties is clearly de minimis and the notified operation will have no impact on competition in the EEA. In all other markets there is no horizontal overlap.

Allied Signal has high market shares in certain aerospace and automotive products. Connectors are components of these products. Allied Signal claims that there are no vertically affected markets as the seller-buyer relationship between Allied Signal and AMP is de minimis actually and potentially. There are no indications that the acquisition of AMP's connector business reinforces the position of Allied Signal in the market for the end product.

Consequently, 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**

7. 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,