

***Case No IV/M.1435 -
FORD / JARDINE***

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

Article 6(1)(b) NON-OPPOSITION
Date: 23/02/1999

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 23.02.1999
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PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

Subject: Case No IV/M.1435 – FORD/JARDINE

Notification of 28.01.1999 pursuant to Article 4 of Council Regulation No 4064/89

1. On 28th January 1999 the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 whereby Dagenham Motors Group plc ('Dagenham') is acquired by Polar Motors Group Ltd ('Polar'), which latter is jointly controlled by Ford Motor Company Ltd ('Ford') and Jardine Motors Group plc ('Jardine').
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation No 4064/89 and does not raise serious doubts as to its compatibility within the common market and with the EEA agreement.

I. THE PARTIES AND THE OPERATION

3. The activities of the companies are as follows:
 - Polar: retailing and servicing of Ford motor vehicles in the UK;
 - Dagenham: retailing and servicing of Ford motor vehicles in the UK;
 - Ford: manufacture and distribution of motor vehicles;
 - Jardine: retailing of motor vehicles and related services.

4. The proposed operation consists in the acquisition of Dagenham by Polar by way of a public bid. On 19th January 1999 the boards of Dagenham and Polar announced that they had reached an agreement on the terms of a recommended cash offer for the entire issued share capital of Dagenham.

II. CONCENTRATION

5. The operation is a concentration within the meaning of Article 3(1) of the Merger Regulation.

III. COMMUNITY DIMENSION

6. Polar's activities are ancillary to those of its parent companies, and Polar is therefore not a full-function joint venture within the meaning of Article 3(2) of the Merger Regulation. The undertakings concerned are therefore Dagenham, Ford and Jardine.
7. The combined aggregate worldwide turnover of the undertakings concerned exceeds 5000 million Euro. The aggregate Community wide turnover of each party exceeds 250 million Euro. They do not achieve more than two-thirds of their turnover in one and the same Member State. The operation has therefore a Community dimension.

IV. THE RELEVANT MARKETS

a) Relevant Product Market

8. Dagenham, Polar and Jardine (and to a minor extent Ford) are active in the retail distribution of passenger cars and commercial vehicles in the UK. For the reasons stated in the Commission's previous decisions in this area¹, it is appropriate to distinguish for the purposes of this case between (a) the retail distribution of passenger cars, and (b) the retail distribution of commercial vehicles.

b) Relevant Geographic Market

9. In previous cases (cf. Footnote 1) the Commission has left open the question of whether the geographical market for these activities is European or national. In the present case it is not necessary to determine the exact geographic market since even in the narrowest geographical market the operation would not raise any serious doubts as to its compatibility with the common market (see assessment below).

V. ASSESSMENT

10. There are no horizontally affected markets as defined in the Merger Regulation, the combined market share of Polar, Dagenham, Jardine and Ford being less than 1% of both the passenger retail and commercial vehicle retail markets even if defined at the national (UK) level. Moreover, Dagenham's retail network was previously reserved exclusively for Ford, and will remain so following its acquisition by Polar, so the acquisition will not give rise to any additional foreclosure effect of the relevant market.

¹ Case IV/M.182 Inchape/IEP; Case IV/M.326 Toyota Motor Corp/Walter Frey/Toyota France

VI. CONCLUSION

11. In view of the above, and in particular the very small market shares of the parties, the Commission has concluded that the operation will not result in the creation of reinforcement of a dominant position.
12. 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,