

***Case No IV/M.1560 - TI  
GROUP / WALBRO***

Only the English text is available and authentic.

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

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Article 6(1)(b) NON-OPPOSITION  
Date: 11/06/1999

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 11.06.1999

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 party**

Dear Sirs,

**Subject: Case No IV/M. 1560 - TI Group/Walbro**

Notification of 07.05.1999 pursuant to Article 4 of Council Regulation No 4064/89

1. On 07.05.1999 the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation by which TI Group plc (TI), with its headquarters in the UK, acquires sole control of the whole of the undertaking Walbro Corporation (US).

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

2. TI is an international group with 108 facilities in 27 countries on 5 continents, concentrating in specialised engineering business which design, develop, manufacture and supply a wide range of specialised engineering products used in a number of automotive, marine, aerospace, industrial and engineering applications.
3. Walbro Corporation is an independent company active in the automotive and small engine sectors with 32 facilities in 18 countries worldwide, including several European countries.
4. The concentration will be effected by means of the acquisition by TI of sole control of Walbro by way of a recommended cash offer. The transaction involves a change of control, thus constituting a concentration within the meaning of Article 3(1) (b) of the Merger Regulation.

## **II. COMMUNITY DIMENSION**

5. The undertakings TI and Walbro have a combined aggregate worldwide turnover in excess of EUR 2,500 million<sup>1</sup> (TI, EUR 3,205 million; and Walbro, EUR 698 million). In each of four Member States (France, Germany, Italy and Sweden) the combined aggregated turnover of TI and Walbro is more than EUR 100 million and the aggregated turnover of each undertaking in each of those countries is more than EUR 25 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 within the meaning of Article 1(3) of the Merger Regulation, 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**

6. The only sector in which both parties to the concentration are present is the automotive sector. TI and Walbro manufacture products which form part of the fuel storage and delivery systems (FSDS) for automobiles and light trucks. Their principal customers are the original equipment manufacturer (OEMs).
7. The notifying party states that the FSDS products manufactured by each party to the concentration are complementary. Walbro supplies components including fuel tanks, fuel pumps, fuel modules and level sensors up to the point the fuel leaves the tank, whereas TI supplies the components, fuel lines (flexible and rigid tubing), which deliver the fuel from the tank to the engine.
8. In the FSDS, the main relevant products manufactured by Walbro are fuel tanks with a market share at EEA level of [between 5-15] %, fuel pumps [between 15-25] %, fuel modules [between 15-25] % and level sensors [between 15-25] %, and, the main relevant products manufactured by TI are fuel lines with a market share of [between 15-25] %.
9. 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.

### **B. Relevant geographic market**

10. In previous cases (most recently Case No. IV/M.1462 - TRW/LucasVarity, decision of 11.03.1999 and Case No. IV/M.1456 - DURA/ADWEST, decision of 10.03.1999) the Commission has already defined the geographical scope of the markets for car components as European-wide. The notifying party submits that given that OEMs increasingly seek to source components on global basis for worldwide platforms and that systems tend to be assembled at suppliers' satellite facilities, the scope of the relevant market is worldwide.

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<sup>1</sup> Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Notice on the calculation of turnover (OJ C66, 2.3.1998, p25). To the extent that figures include turnover for the period before 1.1.1999, they are calculated on the basis of average ECU exchange rates and translated into EUR on a one-for-one basis.

11. 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**

12. The parties' operations are complementary. There is no overlap between the products manufactured by TI and those manufactured by Walbro. In view of the market position of the parties to the concentration, it appears that the notified operation will have no impact on competition in the EEA. 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**

13. For the above reasons, the Commission decides 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,