

***Case No COMP/M.1632 -
RECKITT + COLMAN /
BENCKISER***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 03/09/1999

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.09.1999

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

Dear Sirs,

Subject: Case No IV/M.1632 – RECKITT & COLMAN plc/BENCKISER N.V.

Notification of 2 August 1999 pursuant to Article 4 of Council Regulation No. 4064/89¹

1. On 2 August 1999, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No. 4064/89, as amended, by which the undertaking Reckitt & Colman plc (R&C) will acquire sole control over Benckiser N.V. (Benckiser).
2. Following examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No. 4064/89, as amended, 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 Notified Operation

3. Reckitt & Colman (R&C), a public company incorporated in England and Wales, is active in various parts of the world in the manufacture and supply of a range of branded household and fabric cleaning and care products, toiletries and food products, and over-the-counter pharmaceutical products.
4. Benckiser, a public company incorporated in The Netherlands, manufactures and supplies a range of branded and generic household and fabric cleaning and care products in various countries.

¹ OJ L 395, 30.12.89, p.1; corrigendum OJ L 257 of 21.09.90, p.13; Regulation as last amended by Regulation (EC) No. 1310/97 (OJ L 180, 09.07.97, p.1, corrigendum OJ L 40, 13.02.98, p.17).

5. The parties have entered into an agreement dated 27th July 1999 providing for a sequence of transactions in shares which will result in the acquisition of sole control by R&C of Benckiser. Therefore, the notified operation constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

II. Community Dimension

6. R&C and Benckiser do not have a combined aggregate worldwide turnover in excess of EUR 5,000 million (R&C: EUR 3,236 million; and Benckiser: EUR 1,738 million), but the concentration meets the conditions for Community dimension according to Article 1(3) of the Merger Regulation. Each of the parties has a Community-wide turnover in excess of EUR 250 million (R&C: EUR 979 million; and Benckiser: EUR 1,141 million), and the two companies do not both achieve more than two-thirds of their aggregate Community-wide turnovers within one and the same Member State. Consequently, the notified operation has a Community dimension. The concentration does not constitute a cooperation case under the EEA Agreement.

III. Compatibility with the Common Market and the EEA

A. Relevant Product Markets

7. The parties subdivide domestic cleaning products into the following product categories: (a) household cleaners (including multi-purpose cleaners, lavatory cleaners and special purpose cleaners); (b) fabric care products (including laundry detergents, laundry additives (including laundry stain removers, fabric softeners and water softeners) and other fabric care products including carpet cleaners); (c) dishwashing products (including automatic dishwashing detergents and additives, and hand dishwashing products); and (d) other cleaning products (including drain cleaners and ignition products).

(a) Household cleaners

Multi-purpose cleaners: This product segment includes preparations used to clean non-permeable surfaces and suitable for general household use.

Lavatory cleaners: This segment includes a range of products, including some that function as “bowl cleaners” (applied on a periodic basis) and “cistern or rim blocks” (attached inside and which operate every time the lavatory is flushed). The products are mainly used for effective cleaning and removal of odour.

Polishes and waxes: Polishes and waxes are used to clean, shine and protect furniture and wooden or tiled floors. Waxes and polishes are interchangeable with each other and belong to the category of special purpose cleaners.

Metal polishes: These products are used to clean and shine metals. Like polishes and waxes, metal polishes are also special purpose cleaners.

(b) Fabric care products

Laundry detergents: This segment includes all products used for cleaning fabrics and textiles either by hand or by machine.

Laundry stain removers: Stain removers belong to the group of laundry additives and are products which may be used to enhance the cleaning result and may be used pre-wash or in-wash.

Fabric softeners : Fabric softeners also belong to the group of laundry additives and are added to the wash to condition, perfume and enhance the softness of laundry.

Carpet cleaners: These products can to a certain extent be substituted by alternatives such as regular vacuuming, or steam-cleaning, and the use of mild multi-purpose cleaning products for spot removal, for example.

(c) **Dishwashing products**

This broad category includes all products for cleaning crockery and cutlery and splits into the following two product segments: automatic dishwashing products and hand dishwashing products. The parties state that it can be argued that there is a limited substitutability between the automatic dishwashing detergent and hand dishwashing segments in that consumers have a choice as to whether to wash their crockery by hand or machine. In any event, within the category of automatic dishwashing products and additives including certain specialised discretionary products (such as rinse aids and salt to prevent build-up of mineral deposits), only Benckiser is present in this segment. Both parties produce hand dishwashing products. Within this segment, products are available with differing characteristics as to aroma and concentration, but all such formulations are highly substitutable from both the demand-side and supply-side. Therefore dishwashing products can be considered one separate product market.

(d) **Other cleaning products**

Drain cleaners: The segment of drain cleaners covers products for unblocking drains, and the parties note that consumers have the alternative of using caustic soda or the regular use of bleach to minimise the likelihood of blockage, or may use a drain plunger.

Ignition products: These products are used for starting barbecues and indoor fires.

8. On the basis of an analysis of demand-side substitutability both regarding the behaviour of customers (retailers and wholesalers) and of end-users it can be concluded that different domestic cleaning products are not interchangeable and form separate markets.
9. First, each of those products is as a rule purchased by the end-user to cope with a specific cleaning problem, *e.g.*, toilet cleaners are not substitutes for furniture polishes or laundry detergents. Demand for each of these products is driven by

clearly differentiated functions and benefits.² Therefore, a price increase for end-user consumers of laundry detergents would not result in increased purchases of laundry additives and vice versa. When confronted with a substantial price increase for one special cleaning product, it can be concluded from the market test that switches will occur from the more expensive product to a cheaper brand or private label of the same product and not to a different type of product.

10. In addition, there are other factors supporting an argument for the existence of separate product markets for individual domestic cleaning products, for example, regarding the typical purchase and sales patterns of wholesalers or retailers. The majority of large retail customers tend to purchase a range of products from a number of suppliers, but this policy is rather related to logistical reasons and to the limitation of handling costs. According to information available to the Commission, virtually no customers purchase the whole product range of a certain producer. Group rebates are granted by some suppliers, but according to the Commission's investigation, that does not indicate the existence of a "portfolio" *per se* (that is, products which are normally sold or purchased together), since products are selected individually on their merits rather than as a "portfolio."
11. Moreover, price elasticity, price level and consumer loyalty appear to be different for the individual domestic cleaning products. For example, a number of competitors have pointed out that for some products, price level and consumer loyalty are rather low, whereas special purpose cleaners like polishes and waxes are relatively high-priced and consumer loyalty is high. Some competitors have explained that there are some products for which brand loyalty of consumers is more critical than it is for other products, and thus switching occurs less frequently in these cases.
12. The parties point out that there is a certain degree of supply-side substitutability for domestic cleaning products given the similarity of product formulations, common production techniques and the ability to switch production capacity between products. These aspects according to the parties could indicate the existence of a single overall relevant product market for the range of domestic cleaning and care products (for use on objects in and around the home).
13. However, even if producers usually produce a range of domestic cleaning products there is according to the information available to the Commission no manufacturer which produces the complete range of these products. Furthermore, the market shares of the main producers for one and the same product tend to differ considerably. Therefore, aspects of supply-side substitutability in the present case do not appear to change the picture regarding the product market definition.
14. Finally, the sales achieved in one domestic cleaning product do not normally have an influence on the sales of other products. By way of example, increased sales of special cleaners like oven cleaners or metal polishes, which are rather used in

² There would appear to be a degree of one-way substitution from multi-purpose cleaners and hand dishwashing products to some other cleaning products; however, in general, all other products are used in addition to the former, depending on the cleaning problems involved.

addition to multipurpose cleaners, will not reduce multi-purpose cleaner sales, as they cannot be used for multi cleaning purposes and vice-versa. This position has been confirmed by the Commission's market investigation. To the extent that manufacturers are technically able to switch from the production of one product to another without great difficulty, this would not mean that they could or would simply replace products in their manufacturing operations, since demand for the individual products is driven by different reasons and such switching would not be economically viable.

15. In conclusion it can be assumed that, although one might distinguish two broad categories of domestic cleaning products, namely household cleaning products and fabric care products, the individual domestic cleaning products mentioned in paragraphs 7 (a) through (d) constitute separate product markets,³ with regard to the assessment of the present case.

B. Relevant Geographic Markets

16. The parties note that both they themselves and their major competitors in each of the relevant (consumer) product markets identified above increasingly compete across Europe and globally. They argue that there is a clear trend towards EEA-wide markets in the field of household cleaning products, as in many other consumer goods. They point out that new products are increasingly being introduced with common brands for the whole of Europe, or at least a substantial part of it, and that other existing brands have been extended at a European level.
17. In addition, the parties note that an increasing number of their large retail customers conduct their purchasing on a geographic basis broader than individual Member States; that transport costs do not account for more than around [0-10]% of the selling price; and barriers to entry from one country into neighbouring countries are negligible. They state that there is a clear trend towards harmonisation at a European level, a development which is being accelerated by the launch of the euro.
18. The parties and a number of competitors do concede, however, that conditions in some Member States still exhibit characteristics which remain indicative of national markets. First, pricing for several reasons (like historic development, trade practices, product cycles, and so forth) is still largely conducted nationally. Furthermore, some competitors point out that Member State legislation still differs, for example, with regard to requirements on ingredients, product safety, environment and chemical standards. Some competitors indicate that differences in legislation would require different production runs for most countries which has an effect on the production costs.

³ This approach is, in principle, also applied by AC Nielsen and Euromonitor, which are two data sources which measure movement of goods, and categorise the products measured based on the manner in which the industry itself treats them. Here, it should be noted that both the parties and competitors state that they monitor the movement of these products at the level of individual product segment, both through the purchase of data like AC Nielsen and in their internal market research.

19. However, for purposes of this case, it is not necessary to further delineate the relevant geographic market, as in all alternative market definitions considered, the operation would not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the common market or in a substantial part of it.

C. Competitive Assessment

(a) General situation of the industry

20. The parties state that the domestic cleaning products industry is a highly competitive environment, and that they compete head-on with some of the largest international consumer goods manufacturers in the world.
21. At present R&C and Benckiser are the 8th and 9th largest competitors in the EEA, and after the operation, Reckitt Benckiser will be ranked fourth-largest competitor. However, even after the concentration Reckitt Benckiser will be significantly smaller in size than the first three multi-nationals Unilever, Procter & Gamble and Colgate-Palmolive, all of which have vast advertising and R&D budgets to support and develop their products.
22. Furthermore, the industry concerned is faced with significant national and international customers in the form of the major multiple food retail chains and multiple drug chains (for example, Delhaize and Promodes) which wield substantial purchasing power, thus representing an additional competitive restraint. These larger retailers tend to offer a spread of domestic cleaning and care products from a number of competing manufacturers and are able to switch proportions of their purchases from each manufacturer. Consequently, the customers are as a rule not dependent on the products of a single producer.
23. In addition, both national and international retailers also increasingly exert strong countervailing power through their own-label sourcing policies. Consequently, the parties after the concentration will also continue to face competition from the own-label sector, where retailer private labels are a significant – and growing – feature in the domestic cleaning products market. Certain major manufacturers have stated that as retail chains of customers act increasingly on a European-wide, or even global basis, manufacturers’ prices become more transparent and have to be adjusted by the manufacturers within certain limits, because of pressure from these large customers.
24. The present concentration is largely of a complementary nature. Although it would lead to rather important combined market shares of the parties in two products (that is, metal polishes and ignition products on an EEA level, and in Belgium and Greece), the Commission has concluded that, given the presence of effective competition in these markets, the operation does not raise competition concerns, as discussed below. Moreover, to the extent that the combination of the product ranges of R&C and Benckiser increases the breadth of their product line offerings, this would not create a situation where the new entity could exercise market power through its sale of a “portfolio.” Both the parties themselves and several competitors contacted by the Commission have indicated that customers typically do not buy a “portfolio” from any manufacturer. Customers typically

select from each manufacturer the range of products which best suits their own business plans, which often includes picking different products to cover different sizes/pricing points from different manufacturers, so that even the whole range of sizes of a given product will not necessarily be selected from a single manufacturer.

25. Considering the above-mentioned factors, the concentration, although giving rise to important market shares in some individual products, would not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or in the common market or in a substantial part of it.

(b) Impact of the concentration in the EEA

26. The Commission is of the view that the operation does not lead to the creation or strengthening of a dominant position in either the EEA as a whole or at the national level, as indicated in the two subsections below.

Household cleaners

Multi-purpose cleaners

27. In multi-purpose cleaners the parties will have a combined share of [5-15]% after the operation, adding R&C's [0-10]% with Benckiser's [0-10]%. The concentration will not significantly strengthen the parties' market position, in that the new entity will share fourth place together with Henkel who also has a [5-15]% share. The three leading players will be considerably larger than the parties, that is, Unilever with [15-25]%, Procter & Gamble and Colgate-Palmolive, who both have around [15-25]% market shares.

Lavatory care products

28. In lavatory care products the parties will have a combined share of [5-15]% after the operation, where the increment achieved by the concentration amounts to only [less than 2]%, combining R&C's [5-15]% share with Benckiser's share of [less than 2]%. The market leader is Unilever with a [15-25]% share, and there are also other international players with similar market shares, for example S.C. Johnson with a [5-10]% market share and Henkel with [5-10]%

Polishes and waxes

29. At the EEA level, the parties would have a share of around [15-25]% after the operation, combining R&C's [15-25]% with Benckiser's [0-10]%. The largest competitor is S.C. Johnson with a share of [30-40]%; and the parties would also face competition from Henkel, with around [0-10]%, and national and regional players.

Metal polishes

30. In metal polishes the parties will have a market share of [25-35]% after the operation, combining R&C's share of [20-30]% and Benckiser's share of [0-10]%. The parties will face competition from a number of international players, such as Henkel with [5-15]%, S.C. Johnson, who has [0-10]%, and Sarah Lee with a [0-10]% market share. Private label plays a significant role in metal polishes and accounts for around [45-55]% of the EEA market.
31. In conclusion, given the presence of effective competition in these respective markets as discussed above, the operation does not raise competition concerns in these product segments at the EEA level.

Fabric care products

Laundry detergents

32. The total EEA market is estimated [...] at 6.5-7.5] billion EUR. The parties will have a combined market share of around [0-10]% after the operation, combining R&C's share of [less than 2]% and Benckiser's share of [0-10]%. Even after the concentration, the market leader Procter & Gamble, with [30-40]%, has a market share [...] times higher than the parties; and the remaining players are Unilever with [15-25]%, Henkel with [15-25]% and Colgate-Palmolive with a [0-10]% market share.

Laundry stain removers

33. The total EEA market is estimated [...] at 400-500] MEUR, and the parties' combined share will amount to [0-10]% after the operation. Market leader Procter & Gamble with [15-25]%, has a market share more than [...] as high as the parties. Other important competitors include Henkel and S.C. Johnson, who have market shares of [10-20]% and [5-15]%, respectively.

Fabric softeners

34. The total EEA market is estimated [...] at 1-2] billion EUR. The concentration will combine Benckiser's [5-15]% share with R&C's [0-10]%, and their combined market share will therefore amount to approximately [5-15]% after the operation. The market leader Unilever has [20-30]%, Procter & Gamble has [15-25]%, Colgate-Palmolive and Henkel each have [10-20]%.

Carpet cleaners

35. In carpet cleaners, the parties will have a combined market share of [15-25]% after the operation, combining Benckiser's share of [10-20]% with R&C's share of [0-10]%. The parties would thus have the largest market share in this product segment at the EEA level, but would be faced with competition from major competitors, including Henkel with [10-20]%, S.C. Johnson with [0-10]% and Unilever.
36. In conclusion, given the presence of effective competition in these respective markets as discussed above, the operation does not raise competition concerns in these product segments at the EEA level.

Other cleaning products

Drain cleaners

37. R&C's sales of drain cleaners in the EEA of around [...] MEUR are almost exclusively achieved in Belgium/Luxembourg and France, while Benckiser's only presence in the EEA is through resales of these products in Belgium/Luxembourg. In Belgium, Benckiser's net sales revenue in 1998 was less than [...] EUR, accounting for [... less than 2]% of EEA sales, which, combined with R&C's sales, would give the parties approximately a [10-20]% market share at the EEA level after the operation. The parties will face competition from major international producers, including S.C. Johnson with approximately [20-30]% and Henkel with approximately [10-20]%, as well as national suppliers. Furthermore, inasmuch as Benckiser [...] purchases its requirements from a third party manufacturer, there is no horizontal overlap between the parties at the manufacturing level.

Ignition products

38. Finally, in ignition products, the parties have a small presence only in kerosene soaked firelighters. As in the drain cleaner product segment discussed above, Benckiser is only present in the EEA through resales of these products in Belgium/Luxembourg and accordingly no horizontal overlap occurs elsewhere. Benckiser [... buys these products] from a third-party manufacturer [...]. The parties estimate that their combined share on the EEA level would be between [10-20]%, where Benckiser would add only around [less than 2]% to R&C's share.
39. In conclusion, given the presence of effective competition in these respective markets as discussed above, the operation does not raise competition concerns in these product segments at the EEA level.

(c) Impact of the concentration on the national level⁴

40. At the national level, the Commission takes the view that the concentration will neither create or strengthen a dominant position in any market, although the concentration will lead to important market shares in three products in two Member States (that is, metal polishes in Belgium/Luxembourg and Greece, and drain cleaners and ignition products in Belgium).
41. It should be noted, however, that in each of these markets there are other multi-national branded suppliers active at the national levels identified, and that most multi-nationals and the main local players are usually active across a variety of different product categories and subcategories. As discussed earlier, the major suppliers of domestic cleaning products are some of the largest consumer goods manufacturers in the world. Consequently, they have the technical capability and the resources to compete vigorously with the new entity across the full range of products discussed. Customers would, therefore, even after the concentration not be dependent on purchasing their supplies from the parties, but have a number of alternative suppliers. In addition, supply contracts tend to be rather short term, thus allowing greater flexibility and bargaining power on the part of customers.
42. Finally, a number of competitors point out that an appreciable permanent price increase for a certain product in a given Member State would likely stimulate parallel trade and have an impact on prices in other Member States. Both customers and competitors have indicated that the large retail customers regularly monitor prices in other Member States and utilise this information to exert pricing pressure on their suppliers as a consequence.

Household cleaners

Multi-purpose cleaners

43. According to the parties, R&C and Benckiser will have a combined share of [15-25]% in France after the operation (combining [5-15]% of Benckiser with [0-10]% of R&C). Competitors' estimates of their size are between [15-25]%. In any case, the parties will continue to face strong competition from the market leader Colgate-Palmolive having between [20-30]%, and from the other players in the market, including Procter & Gamble with between [15-25]% and Unilever having between [10-20]%.

Lavatory care products

44. In Belgium/Luxembourg, the parties will have a combined share between [15-25]% after the operation. The parties face competition from a number of international producers, such as S.C. Johnson who has around [15-25]%, Sara Lee, who has [10-20]%, Unilever and Henkel both having [5-15]% and Colgate-Palmolive with [0-10]%. Furthermore, in Belgium in this segment, private label

⁴ All market share data included in the following analysis is based on the year 1998. The data presented in the analysis is based both on AC Nielsen or Euromonitor figures and the parties' and competitors' best estimates.

products and branded products by local competitors play an important role as they account for the remaining [35-45]% of the market.

45. In France, the parties will have a combined market share of around [20-30]% after the operation. There are several other international players active in the French market, such as S.C. Johnson with between [20-30]%, Unilever with between [5-15]%, and Henkel and Colgate-Palmolive with between [0-10]%. Again, private label producers and local brands enhance competition in the French lavatory care market.

Polishes and waxes

46. The parties have overlaps in polishes and waxes in France where their combined market share would amount to [20-30]% after the operation. S.C. Johnson is the market leader with a market share of between [30-40]%; and other international players include Henkel with an [5-15]% market share, Solitaire with [5-15]% and Werner & Mertz with [0-10]%.
47. In Belgium/Luxembourg, the parties will have a combined market share of approximately [25-35]% after the operation. They would face competition from S.C. Johnson, which has between [25-35]%, and a national producer, Riem, which has [10-20]%. Other major competitors are Sara Lee with its Kiwi brand, Henkel with "Terra" and the local player Yplon ("Chevy"). A recent entrant into the market is "Starwax." Furthermore, in recent years there has been rapid growth in the importance of private label in this category in Belgium: private label has increased its share of the polishes and waxes segment by 50% over the last two years.

Metal polishes

48. In Belgium/Luxembourg, the parties will have a combined market share in metal polishes of [40-50]% after the operation (combining RC's share of [15-25]% and Benckiser's share of [20-30]%). The parties, however, will face strong competition from other major suppliers in the market, such as Henkel (with a [15-25]% market share) and S.C. Johnson (with a [10-20]% market share), Eres (with a [0-10]% market share), and WJ Hagerty & Sons (with a [0-10]% market share). Furthermore, given that these multi-national suppliers are active in neighbouring countries, such as Henkel with [20-30]% and Sara Lee with [20-30]% in France, it is likely that any attempt by the parties to increase their sales prices permanently would be frustrated by these competitors who could easily start importing to Belgium/Luxembourg. Finally, it is noted that sales of metal polishes in Belgium/Luxembourg were only around EUR [...] million in 1998, a market that represents less than [...] of the total EEA market.
49. Customers faced with an increase in prices will be able to source from one of the competitors identified above, or indeed from other national manufacturers or turn to private labels. Private label accounts for around [15-25]% of the market. The majority of private label sales in Belgium/Luxembourg are accounted for by GB and Delhaize le Lion; their combined share has increased from around [5-15]% in

1997 to around [10-20]% in 1998. It can be expected that the growth in importance of private label sales will continue.

50. In light of the above-mentioned factors, it can be concluded that, although the parties will be the market leader in metal polishes in Belgium as a result of the present concentration, this fact would not enable them to behave independently of other market participants. In examining the market structure in the context of the competitive situation described above, high market shares alone would not show that a dominant position would be created or strengthened in this market since there is effective competition from other market players.
51. In Greece, Benckiser's total sales in 1998 of metal polishes were made under the brand name "Clen" and amounted to [...] meaning an estimated market share of [5-15]%.⁵ R&C's [...] market share would amount to approximately [30-40]%. Thus, after the concentration the parties would have an estimated combined market share of between [40-50]%. The competitive situation is similar to that described above with regard to Belgium/Luxembourg, in that the parties will face competition from substantial competitors who are in a position to exert a significant competitive constraining effect on the parties.
52. In Greece, the parties would face competition from one of the major competitors in this segment, S.C. Johnson, who has recently acquired the US company, Yankee Polish, and has a market share of between [15-25]%. In addition, the 3M Company, another major domestic cleaning products company, is present in Greece through 3M Hellas, with a share of approximately [0-10]%. Moreover, as in the case of Belgium/Luxembourg, there are other major producers present in the same geographic area; for example, Henkel is present in Italy with its sales of one of the major metal polish brands, "Sidel," and it would be well able to begin selling in Greece in case the parties would increase their prices. Therefore because competitive constraints on the parties exist through parallel imports, despite the high market share, the Commission is of the view that the operation does not raise competitive concerns.
53. In addition, a number of distributors and licensees active in the Greek market: Megaloeconomou SA sells the "Hagerty" brand of WJ Hagerty & Sons ([5-15]% market share); Triplex Hellas SA sells the "Argenti" brand of the Bolton Group, affiliated with the Italian firm, Manitoba ([0-10]% market share) and Grigoriadis Ltd. sells the "Beckmann" brand of Delta Pronatura ([0-10]% market share). Furthermore, as noted earlier, private labels are an important factor in the metal polishes market.
54. In light of the above-mentioned factors, it can be concluded that, although the parties will be the market leader in metal polishes in Greece as a result of the

⁵ The parties state that for Greece reliable data is difficult to obtain. The only independent source, Euromonitor, places a number of Benckiser's products within the market of metal polishes (including, for example, a vitroceramic cleaner, a microwave cleaner, and a sponge product for hobs) which, according to the market definition followed for the purposes of this decision, would overstate Benckiser's share. Thus, the high market share figures alone are not indicative of the position that the parties would have in this market after the operation.

present concentration, this fact would not enable them to behave independently of other market participants. As in the case of metal polishes in Belgium/Luxembourg, in examining the market structure in the context of the competitive situation described above, high market shares alone would not show that a dominant position would be created or strengthened in this market.

55. In conclusion, given the presence of effective competition in these respective markets as discussed above, the operation does not raise competition concerns in these product segments at the national levels identified.

Fabric care products

Laundry detergents

56. After the operation, the parties will have a combined share of [15-25]% in Italy (combining [less than 2]% of R&C and [15-25]% of Benckiser). They will continue to face strong competition from other international producers, such as the market leader Procter & Gamble which has around [25-35]%, the second-largest competitor Henkel, which has between [20-30]%, and Unilever with between [5-15]% market share.
57. In Spain, the parties will have a combined share of [15-25]% after the operation (combining [less than 2]% of R&C and [15-25]% of Benckiser). The market leader will remain Procter & Gamble with a market share between [20-30]%; further, the second-largest player Henkel has between [15-25]%, and Unilever, between [10-20]%.

Laundry stain removers

58. In Italy, the parties will have a combined market share in laundry stain removers of around [15-25]% after the operation (combining [5-15]% of R&C and [5-15]% of Benckiser). Here, too, the market leader will remain Procter & Gamble with over [25-35]%. Other international players who compete with the parties include Henkel, Sarah Lee, S.C. Johnson and the Italian firm, Manitoba.

Fabric softeners

59. In Spain, the parties will have a combined market share of around [25-35]% after the operation (combining [less than 2]% of R&C and [25-35]% of Benckiser). The parties face competition from a number of multi-national producers including Henkel, who has around [15-25]%, Unilever, who has between [15-25]% and Procter & Gamble, who has approximately [0-10]%.
60. In conclusion, given the presence of effective competition in these respective markets as discussed above, the operation does not raise competition concerns in these product segments at the national levels identified.

Other cleaning products

Drain cleaners

61. In Belgium/Luxembourg, R&C has a [30-40]% market share in drain cleaners and Benckiser has only a *de minimis* presence in this category under the “Ça-Va Seul Tiret Plus” line with its only sales being in Belgium (amounting to around [...] EUR in 1998). In fact, as noted earlier in the analysis at the EEA level, Benckiser [...] only resells products manufactured by a third-party producer. Consequently, there is no horizontal overlap between the parties at the manufacturing level.

Ignition products

62. In ignition products, the only country in which both parties sell these products is in Belgium. R&C produces only one brand (“Zipp”) and Benckiser is exclusively active in Belgium through its resales [of products ...]. In addition the parties sell only kerosene soaked firelighters, barbecue liquid lighters and related products, which face competition from a number of wood and paper based ignition products.
63. In Belgium, the parties estimate that R&C has a market share of around [30-40]%, and Benckiser around [0-10]%. Consequently, when measured at the sales level, their combined share in Belgium would therefore amount to approximately [35-45]% after the operation. However, as noted earlier, in this product segment [...] there is no horizontal overlap at the manufacturing level. Furthermore, there are a number of international and local players active on the Belgium/Luxembourg market who sell their ignition products through all distribution channels (including both supermarkets and alternative channels, such as hardware stores and garages, in which the parties are not present) such as IWP International, Werner & Mertz with its “Zeus” brand and Yplon (with the brand “Viff”). Due to the presence of a number of other suppliers in Belgium and throughout the rest of Europe, the relatively high level of cross-border sourcing and the commodity nature of the product, retailers and consumers will not be restricted in their choice in any meaningful way.
64. Finally, in ignition products private labels play an important role: De Toren BV, a company owned by IWP, produces [...] branded products and private label ignition products to retailers in Belgium. Yplon, which markets [branded] ignition products [...] in Belgium, also supplies retailers for private label sales.
65. In conclusion, given the presence of effective competition in these respective markets as discussed above, the operation does not raise competition concerns in these product segments at the national levels identified.

IV. Conclusion

66. In light of the above, it appears that the concentration will not create or strengthen a dominant position as a result of which effective competition will be significantly impeded in the common market or the EEA or a substantial part of it. For these 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,