

*Case No COMP/M.1739 -  
IVECO / FRAIKIN*

Only the English text is available and authentic.

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

---

Article 6(1)(b) NON-OPPOSITION  
Date: 03/12/1999

*In electronic form on the EUR-Lex website under document  
number 31999M1739*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 03.12.1999  
SG(99) D/9770

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 COMP/M.1739 – IVECO / FRAIKIN**

Notification of 29 October 1999 pursuant to Article 4 of Council Regulation (EEC) No 4064/89

1. On 29.10.1999, the Commission received the notification of a proposed concentration pursuant to Article 4 of Council Regulation No 4064/89, by which the undertaking Iveco N.V. acquires within the meaning of Article 3(1)(b) of Council Regulation (EEC) No 4064/89 sole control over Fraikin SA.
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 functioning of the EEA Agreement.

**I. THE PARTIES**

3. Iveco N.V. ("Iveco") is a company organised under the laws of the Netherlands and is the holding company of the Iveco Group, controlled by the Fiat Group. The Iveco Group designs, manufactures and sell trucks, coaches and buses, as well as diesel motors and other components which serve the needs of the transport sector. The Fiat Group manufactures and markets cars, commercial vehicles, agricultural machinery, machines for public works, automotive components and associated activities.
4. Fraikin S.A. ("Fraikin") is a company organised under the laws of France and is listed on the Second Marche of Parisbourse SA. Fraikin is the parent company of the Fraikin S.A. group, whose main activities are related to truck hire and rental operations.

## **II. THE OPERATION**

5. The present operation consists of the acquisition of sole control of Fraikin by Iveco. On October 4, 1999, Fraikin and Iveco entered into a Share Purchase Agreement pursuant to which Iveco has agreed to purchase around 51.6% of Fraikin's share capital. After the closing, Iveco will launch a standing offer, on the Second Marche' of Paris Bourse, for all the shares of Fraikin not yet acquired.

## **III. CONCENTRATION**

6. The acquisition by Iveco of the sole control over Fraikin constitutes a concentration within the meaning of Article 3(1)(b) of the Council Regulation (EEC) No 4064/89.

## **IV. COMMUNITY DIMENSION**

7. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion (Fraikin 409 million Euro and Fiat 45,769 million Euro). Each of Fiat and Fraikin have a Community-wide turnover in excess of EUR 250 million (Fiat [...] million Euro and Fraikin [...] million Euro), but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State.

## **V. COMPETITIVE ASSESSMENT**

### **A. Relevant Product Markets**

8. Concerning the contract truck hire market, the parties submit that there are two separate and distinct product markets: one comprising light commercial trucks up to 3.5 tons, and the other comprising heavier trucks over 3.5 tons. According to the Commission's practice, the market for trucks can be divided into light trucks (<7 tons), medium-duty trucks (7-16 tons), heavy-duty trucks (>16 tons). However, in the present case, even in the narrowest possible market definition, the transaction would not lead to the creation or strengthening of a dominant position, and therefore the precise market definition can be left open.

### **B. Relevant Geographic Market**

9. As far as the contract truck hire is concerned, the normal market practice tends to show that this market is national-wide. In the present case, even in the narrowest possible geographic market definition (i.e. national market: France), the transaction would not present any competition concern. It is therefore not necessary to take a definitive view on the exact geographic dimension of the relevant markets.

### **C. Assessment**

10. As far as the contract truck hire market is concerned, Fraikin is the market leader in France (with a market share of less than 30% in all the segments), while Iveco has an insignificant presence (with a market share of less than 0.5% in all the segments). Accordingly, even according to the narrowest product market definition, the combined market share of the parties would not exceed 30% in any segment, and the increase would be negligible (less than 0.5%). On a wider product market definition, the combined market of the parties would not exceed 20%, and the increase would still remain negligible (less than 0.5%). Moreover, the French contract truck hire market is

characterised by the presence of several strong competitors and a constant growth. Furthermore, the vertical integration of the parties (Iveco has a market share below 25% in all the segments of the truck sale market, even according to the narrowest product market definition) would not affect the competitive structure of the market due to the presence of other competitors also vertically integrated, such as Clovis integrated with Renault, Mercedes-Benz Charterway integrated with DaimlerChrysler, and Volvo Truck Location integrated with Volvo.

11. Hence it is considered 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 it.

## **VI. CONCLUSION**

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,  
(signed)  
Member of the Commission