

***Case No COMP/M.1754 -  
MORGAN GRENFELL /  
PIAGGIO***

Only the English text is available and authentic.

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

---

Article 6(1)(b) NON-OPPOSITION  
Date: 01/12/1999

*Also available in the CELEX database  
Document No 399M1754*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 01.12.1999  
SG (99) D/9678

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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.1754 – MORGAN GRENFELL/PIAGGIO**

Notification of 27.10.1999 pursuant to Article 4 of Council Regulation No 4064/89

1. On 27.10.1999, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89<sup>1</sup> by which by which Morgan Grenfell Development Capital Syndications Ltd. (“MGDCS”) controlled by Deutsche Bank A.G. acquires within the meaning of Article 3(1)(b) of the Council Regulation sole control of Piaggio & C.S.p.A (“Piaggio”) by way of purchase of shares.
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**

3. MGDCS is a UK investment company controlled by Deutsche Bank AG. Piaggio is an Italian company active in the manufacture and sale of two, three and four wheeled motor vehicles

**II. THE OPERATION**

---

<sup>1</sup> OJ L 395, 30.12.1989 p. 1; corrigendum OJ L 257 of 21.9.1990, p. 13; Regulation as last amended by Regulation (EC) No 1310/97 (OJ L 180, 9. 7. 1997, p. 1, corrigendum OJ L 40, 13.2.1998, p. 17).

4. MGDCS will acquire Piaggio by way of purchase of shares.

### **III. CONCENTRATION**

5. The operation is a concentration within the meaning of Article 3(1)b of the Merger Regulation, since its consists in the acquisition by MGDCS of Piaggio.

### **IV. COMMUNITY DIMENSION**

6. The combined aggregate worldwide turnover of MGDCS and Piaggio exceeds EUR 5000 million<sup>2</sup>. Each of MGDCS's and Piaggio's 1998 EU-wide turnovers exceeded EUR 250 million but it was not the case that more than two thirds of the aggregate EU-wide turnover was achieved within one and the same Member State. The notified operation therefore has a Community dimension. It does not constitute a cooperation case under the EEA agreement.

### **V. COMPETITIVE ASSESSMENT**

#### Relevant product markets

7. Piaggio manufactures mopeds, scooters, and motorcycles and its share of the overall EEA two wheeled motor vehicle sector is about [less than 20 %] by value. [...] competitors include [...]. Piaggio also manufactures three and four wheeled light commercial vehicles, where it faces competition from major vehicle manufacturers [...].
8. Neither MGDCS nor any of the companies controlled by it are active in the sectors in which Piaggio operates. In view of this absence of overlap, and of Piaggio's [...] market position under any relevant market definition, such a definition is unnecessary in the present case.

#### Relevant geographic markets

9. The parties argue that the relevant geographic markets for the vehicles produced by Piaggio are EEA wide. Again, in view of the factors cited under «Product markets», the definition of relevant geographic markets may be left open in the present case.

---

<sup>2</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.

### Assessment

10. There is no product overlap between MGDCS and Piaggio, which [...] faces [...] competitors.

### Conclusion

11. In light of the above information, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the common market and in the EEA or in a substantial part of it.

## **VI. CONCLUSION**

12. In view of the above the proposed concentration does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA agreement. 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,  
Mario MONTI