

*Case No COMP/M.1781 -  
ELECTROLUX /  
ERICSSON*

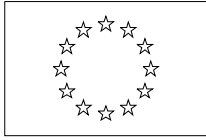
Only the English text is available and authentic.

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

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Article 6(1)(b) NON-OPPOSITION  
Date: 20/12/1999

*Also available in the CELEX database  
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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.12.1999  
SG (99) D/10594

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 Madam/Sir,

**Subject : Case No COMP/M.1781 – Electrolux/Ericsson**

Notification of 19.11.1999 pursuant to Article 4 of Council Regulation No/4064/89

1. On 19.11.1999, the Commission received the notification of a proposed joint venture between AB Electrolux (“Electrolux”), through its wholly-owned subsidiary Electrolux Home Products Corporation S.A., and Telefonaktiebolaget LM Ericsson (“Ericsson”).
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<sup>1</sup> and does not raise serious doubts as to its compatibility with the common market and the functioning of the EEA Agreement.

**I. THE PARTIES**

3. Electrolux is a Swedish company, active worldwide, which manufactures and supplies domestic, household, and professional appliances.

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<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. Ericsson is a Swedish company, active worldwide, which manufactures and supplies telecommunications systems and equipment, and operates in various fields related to the telecommunications sector.

## **II. THE OPERATION**

### Concentrative Joint Venture

5. The operation consists of the creation of a new joint venture company (“the JV”), to be jointly controlled by Electrolux and Ericsson with a 50% shareholding each, the activities of which will consist of defining, developing and commercializing products, applications and services, capable of communicating electronically with household appliances.
6. Electrolux and Ericsson will have equal representation on the Board of the JV and all decisions will require at least a simple majority vote. The JV is intended to operate as a long-lasting autonomous economic entity: it will have its own management, staff, and premises; the parties anticipate transferring or licensing to the JV relevant technology for the purposes of developing its business; it will negotiate and contract directly with its customers. As the parties do not compete with each other and do not anticipate competing with the JV, there is no scope for co-ordination between the parents of the JV.

## **III. CONCENTRATION OF A COMMUNITY DIMENSION**

7. The operation constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.
8. Electrolux and Ericsson have a combined aggregate worldwide turnover in excess of €5,000 million (Electrolux, €3,122 million; Ericsson, €20,686 million). They each have a Community-wide turnover in excess of €250 million (Electrolux, €929.93 million; Ericsson, €7,974 million). Electrolux and Ericsson do not both achieve more than two thirds of their respective aggregate Community-wide turnovers within one and the same Member State. The notified operation therefore has a Community dimension. It does not constitute a co-operation case under the EEA Agreement.

## **IV. ASSESSMENT**

9. There is no overlap in the activities of the Electrolux and Ericsson, the parents of the proposed JV. The activities foreseen for the JV itself concern the definition, development and commercialization of new products and services. Furthermore, according to the information provided by the parties, it appears that neither party attains a 25% market share level in any market upstream or downstream of the intended fields of activity of the JV. Thus the operation will not result in any affected markets, either on a horizontal or a vertical plane.
10. Hence, it is considered that the proposed concentration does not create or strengthen a dominant position as a result of which effected competition would be significantly impeded in the EEA or any substantial part of that area.

## **V. CONCLUSION**

- 11.** For the above reasons, the Commission 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,  
David BYRNE  
Member of the Commission