

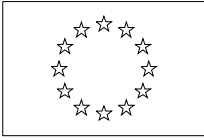
***Case No COMP/M.1909 -
ALSTOM / ABB
ALSTOM POWER***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 05/05/2000

*Also available in the CELEX database
Document No 300M1909*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 05.05.2000
SG (2000) D/103525

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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 *COMP/M. 1909-ALSTOM/ ABB ALSTOM POWER*

Notification of 04. 04. 2000 pursuant to Article 4 of Council Regulation No. 4064/89

1. On 4.04.2000, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89¹ by which ALSTOM acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of ABB ALSTOM POWER N.V..('Power').
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 AND THE OPERATION

3. The business activities of the undertakings concerned are :

- ALSTOM (France) : power generation and transmission equipment, transport, power conversion and other activities,

¹ 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).

- Power (The Netherlands) : power generation equipment.
4. On 2nd June 1999 the Commission cleared the formation of a joint venture, that is , Power, between ALSTOM and ABB in the power generation sector (Case M.1484).
 5. The present transaction involves the purchase by ALSTOM of ABB's share in the joint venture and a consequent change from joint control to sole control of Power by ALSTOM.

II CONCENTRATION

6. The operation is a concentration within the meaning of Article 3(1)b of the Merger Regulation since it consists of the acquisition of the whole of Power by ALSTOM.

III. COMMUNITY DIMENSION

7. The combined aggregate turnover of ALSTOM and Power exceeds EUR 5000 million. Each of ALSTOM's and Power's 1999 turnover exceeded EUR 250 million but it was not the case that more than two thirds of the aggregate EU-wide turnover of both undertakings 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.

IV COMPETITIVE ASSESSMENT

A. Relevant product markets

8. In the above-mentioned case M.1484 the Commission identified a number of markets within the power generation sector, which are again relevant to the present case, i.e. gas and steam turbines, steam and hydro generators, fossil boilers, flue gas cleaning equipment and turnkey gas plants . ALSTOM also produces power transmission and distribution equipment ('T and D') such as switchgear, transformers and related equipment. However it is not necessary to define product markets in the present case since the transaction does not give rise to competition concerns (see below).

B Relevant geographic markets

9. In the above-mentioned case M.1484 the Commission did not finally decide whether the relevant markets were EEA or world-wide. The geographic market definition can also be left open in the present case given the absence of competition problems (see below).

C. Assessment

10. ALSTOM's acquisition of sole control of Power will not change the competitive situation on the relevant markets, because ALSTOM did not retain any business that competed with the joint venture, and there are no horizontally affected markets in the sense of the Merger Regulation arising from the present transaction . The business of the joint venture has not changed materially since it was formed. ALSTOM is unlikely to benefit its T and D activities from the present transaction, since only about [less than 5] % of its T and D turnover world-wide ([less than 5] % in the EU) in 1999 was derived from the sale of T and D equipment in connection with the supply of power generation equipment.

V CONCLUSION

11. 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,

Romano PRODI,
President