

***Case No COMP/M.1947 -
ABN AMRO LEASE
HOLDING / DIAL
GROUP***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 15/06/2000

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 15.06.2000
SG(2000)D/

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

Subject: Case No COMP/M.1947 – ABN AMRO LEASE HOLDING / DIAL GROUP
Notification of 10.05.2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 2 May 2000, the Commission received a notification of a proposed concentration arising from the acquisition of the Dial Group by ABN AMRO Lease Holding N.V.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of the Merger Regulation and does not raise serious doubts as to its compatibility with the common market and with the EEA agreement.

I. THE PARTIES

3. **ABN Amro Lease Holding N.V.** ("AALH"), a wholly-owned subsidiary of ABN Amro Bank N.V. ("ABN Amro"), is a Dutch company operating world-wide in the vehicle and equipment leasing businesses.
4. **Dial Group** comprises the four companies subject to the deal, namely Dial Contracts Ltd (UK); Dial France S.A (F); Dial Spania S.A.(E); and Dial Italia S.p.A (I). Dial Group is active in the vehicle leasing business in the UK, France, Spain and Italy.

II. THE OPERATION

5. The operation involves the acquisition of sole control by AALH over the four companies composing the Dial Group by means of acquisition of the entire issued share capital.

III. CONCENTRATION

6. The transaction, by which AALH intends to acquire sole control of the whole of Dial Group, is a concentration within the meaning of article 3(1) (b) of the Merger Regulation.

IV. COMMUNITY DIMENSION

7. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion¹. Each of ABN Amro and Dial Group have a Community-wide turnover in excess of EUR 250 million (ABN Amro €[...] million; Dial Group €[...] million), but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension.

V. COMPETITIVE ASSESSMENT

Relevant Product Markets

8. The parties overlap in the area of vehicle leasing. The vehicle leasing sector may be sub-divided into two segments: operating leases and financial leases, and further categorised according to the type of vehicle which is leased.
9. Operating leasing involves the management of the fleet under lease, as well as bearing the risks of ownership. Financial leasing generally involves the provision of finance to the lessee, with the lessor bearing none of the risks of ownership. In previous cases in this sector² it has not proved necessary to decide whether operating leasing constitutes a distinct market from that of financial leasing.
10. The notifying party considers that the lease of cars and light vans, i.e. vehicles weighing less than 3.5 tonnes, constitutes a distinct relevant market from the leasing of heavier vehicles.
11. For the purposes of this decision, it is not necessary to define the relevant product markets either in terms of operating/financial leasing or in terms of the weight of the vehicles on lease, since irrespective of the precise definition to be adopted, the assessment of the notified concentration would not change.

Relevant Geographic Markets

12. In accordance with previous decisions in similar markets³, the notifying party considers that the relevant geographic markets are national. For the purposes of this decision it is not necessary to define the relevant geographic markets, since irrespective of the

¹ 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.

² IV/M234-GEC/AVIS Lease and IV/M.664-GRS Holding

³ *ibid*

precise definition to be adopted, the assessment of the notified concentration would not change.

Assessment

13. On the basis of widely defined product markets, there would be no affected markets. On the basis of the narrowest possible market definition, namely the (national) supply of operating leases for cars and light vans, the only horizontally affected market would be in Spain.
14. The notifying party's estimate of market shares for the supply of operating leases for cars and light vans in Spain between 1997 and 1999 show the parties' combined share falling from [between 50-40] % in 1997 (increment [10-20] %), to [between 35-25] % in 1999 (increment [5-15] %). It also estimates that the market has grown at an average annual rate of 33% between 1994 and 1998 and forecasts that growth rates of this magnitude are expected to continue. The notifying party has also provided evidence of successful entry. For example, one company entered the market in 1996 and had gained nearly 10% market share by 1999.
15. The current market shares, the high levels of current and forecast growth and the relative ease of entry have been confirmed in the course of the market investigation.

VI. CONCLUSION

16. 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,
Member of the Commission