

***Case No COMP/M.1956 -
FORD / AUTONOVA***

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

Article 6(1)(b) NON-OPPOSITION
Date: 24/05/2000

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.05.2000
SG(2000) D/103845

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Madam/Sir,

Subject: Case No COMP/M.1956-FORD/AUTONOVA

Notification of 14.4. 2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 14.4.2000 the Commission received a notification of a concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89¹ whereby Ford Motor Company acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of Autonova AB 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. The Ford Motor Company ('Ford') is an American manufacturer of motor vehicles. Autonova AB ('AN') is a Swedish company whose only activity is the assembly of the Volvo C70 coupe and convertible car models ; Volvo Car Corporation ('Volvo') is a wholly-owned subsidiary of Ford.

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).

II. THE OPERATION

4. The transaction involves the acquisition by Ford, through its wholly – owned subsidiary Volvo, of sole control of AN, hitherto a joint venture between Volvo and the U.K. car manufacturer TWR, by way of purchase of shares.

III. CONCENTRATION

5. The operation constitutes a change from joint control of AN by Ford and TWR to sole control of AN by Ford and as such constitutes a concentration within the meaning of Article 3 (1)(b) of the Merger Regulation.

IV. COMMUNITY DIMENSION

6. The undertakings Ford and AN had a combined aggregate worldwide turnover in excess of Euro 5000 million in 1999. Each of them had a community –wide turnover in excess of Euro 250 million in 1999, but it was not the case that more than two thirds of the aggregate community-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.

V. COMPETITIVE ASSESSMENT

a) Market definition

7. In previous cases the Commission has left open the product and geographic market definitions of passenger cars, whether all cars, or specific segments according to size and price, and whether country – or EEA – wide. These definitions can be left open in the present case in view of the lack of competition concerns whatever the definitions chosen (see below).

b) Assessment

8. AN's only activity is the assembly of the Volvo C70 coupe and convertible car models, which are categorised as belonging to the 'S' Class car segment. Acquisition of sole control of AN will not lead to an increase in Ford's competitive strength in the 'S' segment. Ford's market share is at its highest in Denmark (44%) if one takes the narrowest possible market definition (separate segments in separate countries). At the EEA level Ford's share of the 'S' segment is about 18%, and its share of the overall EEA passenger car market is about 12.7%. Ford faces strong competition from the other major car manufacturers, such as GM, Fiat, VW/Audi, BMW, and so on.

c) Conclusion

9. In view of the above the concentration does not give rise to competition concerns.

VI. CONCLUSION

10. 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 (as amended by Council Regulation No 1310/97).

For the Commission,

Mario MONTI
Member of the Commission

(Signed)