

***Case No COMP/M.2202 -  
STINNES / HCI***

Only the English text is available and authentic.

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

---

Article 6(1)(b) NON-OPPOSITION  
Date: 04/12/2000

*Also available in the CELEX database  
Document No 300M2202*



COMMISSION OF THE EUROPEAN COMMUNITIES

**Brussels, 04/12/2000**  
**SG(2000)D/108931**

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

**To the notifying party**

Dear Sir/Madam,

**Subject: Case No COMP/M.2202 – Stinnes/HCI**

Notification of 31/10/2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 31.10.2000, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89<sup>1</sup> as last amended by Regulation (EC) No 1310/97<sup>2</sup> by which the German undertaking Stinnes AG controlled by E.ON AG acquires within the meaning of Article 3(1)(b) of the Merger Regulation control of the whole of the Dutch undertaking Holland Chemical International N.V. (“HCI”) by way of public bid announced on 04.10.2000.
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.

---

<sup>1</sup> OJ L 395, 30.12.1989, p.1, corrigendum; OJ L 257, 21.9.1990, p.13.

<sup>2</sup> OJ L 189, 9.7.1990, p.1, corrigendum; OJ L 40, 13.2.1998, p.17.

## **I. THE PARTIES**

3. Stinnes is an internationally operating company which is primarily active in the areas of transportation, chemicals (i.e. chemicals distribution), materials (i.e. distribution of building materials, raw materials and steel) and full-line wholesaling. Stinnes is active in the chemicals distribution business through its 100 % subsidiary Brenntag AG. Stinnes is controlled by E.ON AG<sup>3</sup> (previously by VEBA).
4. HCI is an internationally operating company which is mainly active in the distribution of chemicals and raw materials in Latin America, the US, Northern and Eastern Europe.

## **II. THE OPERATION AND THE CONCENTRATION**

5. Following the public offer launched by Stinnes on all shares of HCI, Stinnes accepted on November 1, 2000 offers of approximately 97% of all shares and declared that the tender offer has become unconditional. The notified operation therefore constitutes an acquisition of sole control by Stinnes over HCI and a concentration within the meaning of Art. 3(1)b of the Merger Regulation.

## **IV. COMMUNITY DIMENSION**

6. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion<sup>4</sup> (Stinnes<sup>5</sup> EUR 72,392 million, HCI EUR 1,276.2 million). Each of Stinnes and HCI have a Community-wide turnover in excess of EUR 250 million (Stinnes EUR 50,247 million, HCI EUR 260.7 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.

---

<sup>3</sup> Case COMP/M.1673 – Veba/Viag.

<sup>4</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.

<sup>5</sup> The turnover figures indicated for Stinnes are the pro forma turnover of E.ON, i.e. the sum of the respective turnover of VEBA and VIAG for the business year 1999.

## V. COMPETITIVE ASSESSMENT

7. Both companies are active in chemical distribution. In a previous merger case<sup>6</sup>, the Commission has defined three separate product markets: chemical bulk business (“trading”); distribution of chemicals (“commodities”); and distribution of speciality chemicals (“specialities”). In other subsequent cases dealing with the same sector<sup>7</sup>, the definition has been left open. In all previous cases, the smallest possible geographic market has been defined as national.
8. Although the operation will lead to the creation of the largest chemical distributor in the world and Europe with market shares of around 10%, the activities within Europe are largely complementary with HCI, following the acquisition of Superfos from Industri Kapital, being the leading Nordic distributor and Stinnes having a presence in the rest of the EU. With the exception of Scandinavia where Stinnes is not present, HCI has only one green field warehouse facility in Moerdijk in the Netherlands that is mainly used to re-pack products purchased in high volume from Asian producers for HCI’s subsidiaries in Eastern Europe and Latin America. Any excess quantities so purchased are sold from this warehouse mainly to chemical distributors (as opposed to industrial end-users) in the Netherlands and neighbouring countries as Belgium, Germany and France. It, therefore, results that HCI’s activities in these countries are not those of a typical chemical distributor. These typical activities consist not only in sourcing, re-packing and transporting chemical products, but more importantly also in (i) mixing, blending, formulating and diluting; and (ii) extensive technical support.
9. The operation leads to an overlap with market shares, on a national level, between 15% and 20% in Belgium (entirety of chemical distribution), Germany (commodities) and France (commodities). However, the market addition stemming from HCI’s activities is below 1% in all cases.
10. With respect to individual chemicals distributed by both parties, there are no national markets where the combined market share would be above 25%.
11. In each of the above countries, there are strong chemical distributors such as VOPAK, Biesterfeld, Metallgesellschaft, Ellis & Everard and Internatio-Müller.
12. In view of the limited activities of HCI in the countries where the operation leads to an horizontal overlap and the presence of other strong competitors in these countries, the concentration does not give rise to a competition concern.

---

<sup>6</sup> Case IV/M.1073 – Metallgesellschaft/Klöckner Chemiehandel.

<sup>7</sup> Cases COMP/M.1682 – Ashland/Superfos and COMP/M.1748 – Industri Kapital Limited/Superfos.

## **VI. CONCLUSION**

13. 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,**