

***Case No COMP/M.2265 -  
RICOH / LANIER  
WORLDWIDE***

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: 24/01/2001

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 24.01.2001  
SG(2001)D/285445, 285446

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

**Subject: Case No COMP/M. 2265 Ricoh/Lanier Worldwide**

Notification of 13.12.2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 13.12.2000, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which the undertaking Ricoh Company, Ltd. ("Ricoh") acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the undertaking Lanier Worldwide, Inc. ("Lanier") by way of public bid announced on 30.11.2000.
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.

**I. THE PARTIES' ACTIVITIES AND THE OPERATION**

3. Ricoh is active in the manufacturing and distribution of office automation equipment, photography cameras and electronic devices. Lanier is active in the distribution of photocopiers and fax machines.

## **II. COMMUNITY DIMENSION**

4. Undertakings Ricoh and Lanier Worldwide have a combined aggregate world-wide turnover in excess of EUR 5,000 million<sup>1</sup> (Ricoh, EUR 12,545 million; and Lanier, EUR 1,243 million). Each of them has a Community-wide turnover in excess of EUR 250 million (Ricoh, EUR (...) million; and Lanier, EUR (...) 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.

## **III. COMPETITIVE ASSESSMENT**

### **A. Relevant product market(s)**

#### *1. Distribution of photocopiers*

5. The notifying parties state that there is a relevant product market for wholesale distribution of photocopiers. The parties state that there is a single market for the distribution of all photocopiers (personal black and white copiers, office black and white copiers, digital duplicators and colour copiers).
6. However, it is not necessary to further delineate the relevant product markets because, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

#### *2. Production of photocopiers*

7. The notifying parties state that there are several relevant product markets for the production of photocopiers. At least three distinct product markets can be identified:
  - black and white photocopiers
  - digital duplicators
  - colour photocopiers

#### *2.1 Production of black and white photocopiers*

8. The Commission previously<sup>2</sup> stated that black and white photocopiers could be further subdivided according to speed (copies/min). Infosource, an independent research company, identifies the following six product categories:
  - personal photocopiers (PC)
  - office photocopiers:
    - category 1 (<19 copies/min)
    - category 2 (20-39 copies/min)
    - category 3 (40-69 copies/min)
    - category 4 (70-90 copies/min)

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<sup>1</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>2</sup> Decision IV/M.622 Ricoh/Gestetner

category 5 (90+ copies/min)

9. However, it is not necessary to further delineate the relevant product markets because, under all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

#### 2.2 *Production of digital duplicators*

10. The Commission previously<sup>3</sup> stated that digital duplicators are, due to their characteristics, a niche market separate from black and white photocopiers.
11. Digital duplicators are designed to produce a large quantity of single sheet copies. They have limited performances (in terms of quality of the copy and available options, as, for example, it is not possible to have double-sided copies) even when compared to the low-end ranges of photocopiers. This limited performance makes them unsuitable for general office purposes. On the other hand, they are much quicker and need, because of the technology use, less maintenance service.

#### 2.3 *Production of colour photocopiers*

12. According to the parties colour photocopiers could be further subdivided according to speed into low-speed (<12 copies/minute) and high-speed (>12 copies/minute). Whereas high-speed colour copiers are mainly purchased by specific categories of customers (e.g. advertising agencies), low-speed colour copiers are used by a broad range of customers.
13. However, it is not necessary to further delineate the relevant product markets because, under all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

### **B. Relevant geographic market(s)**

#### 1. *Distribution of photocopiers*

14. The notifying parties state that the relevant geographic market is under no circumstances narrower than national.
15. It is not necessary to further delineate the relevant geographic markets because, in all alternative geographic market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

#### 2. *Production of photocopiers*

16. The notifying parties state that the relevant geographic markets are at least EEA-wide.
17. It is not necessary to further delineate the relevant geographic markets because, under all alternative geographic market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

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<sup>3</sup> Decision IV/M.622 Ricoh/Gestetner

## C. Assessment

### 1. *Distribution of photocopiers*

18. Both parties are active in the distribution of photocopiers in all member states. Using the market definition which results in the highest market shares for the parties (all copiers and duplicators, excluding personal copiers), Ricoh and Lanier have combined market shares of over [10-20] % in several member states, but never more than [20-30] %. Lanier has its highest market share in Norway (<10] %), in all other countries the market share is <10] % or less. The parties face competition mainly from Canon and Rank Xerox, who have similar or higher market shares in all member states.

Market Shares	Ricoh	Lanier	Ricoh & Lanier	Canon	Xerox
Austria	[15-25] %	<10]%	[15-25] %	[25-35] %	[25-35] %
Belgium/ Luxembourg	[20-30] %	<10] %	[20-30] %	[10-20]%	[20-30] %
France	[20-30]%	<10]%	[20-30]%	[15-25] %	[20-30] %
Germany	[10-20] %	<10]%	[15-25] %	[10-20]%	[10-20]%
Ireland	[10-20] %	<10]%	[15-25] %	[15-25] %	[10-20]%
Italy	[15-25] %	<10]%	[20-30] %	[10-20] %	[15-25] %
Netherlands	[20-30] %	<10]%	[20-30] %	[5-15] %	[25-35] %
Spain	[15-25] %	<10] %	[15-25] %	[15-25] %	[20-30]%
UK	[10-20] %	<10] %	[15-25] %	[15-25]%	[30-40] %
<b>EU</b>	<b>[10-20] %</b>	<b>&lt;10] %</b>	<b>[15-25] %</b>	<b>[10-20] %</b>	<b>[20-30]%</b>
Norway	[10-20] %	<10]%	[15-25] %	[15-25]%	[15-25]%
<b>EEA</b>	<b>[10-20]%</b>	<b>&lt;10] %</b>	<b>[15-25] %</b>	<b>[10-20]%</b>	<b>[20-30]%</b>

19. Given the market position of the parties to the concentration, the notified operation will have de minimis impact on competition in the EEA. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

### 2. *Production of photocopiers*

20. There are no overlaps in the various markets for production of photocopiers, since only Ricoh is active in the production of copiers. Lanier is selling photocopiers produced by third parties (including Ricoh) under their own brand name.

## 2.1 *Production of black and white photocopiers*

21. Depending on the exact segmentation of the market, Ricoh has EEA-wide market shares of [15-30]%. The exception are the smallest (personal) and the largest (category 5) copiers, where Ricoh has market shares of [<10] % and [<5]% respectively. Ricoh faces competition mainly from Canon and Rank Xerox, who have similar or higher market shares in all segments.

Category	Ricoh	Canon	Xerox	Others
Personal copiers	[<10] %	[50-60] %	[<5] %	Sharp:[30-40] %
Category 1	[15-25]%	[15-25] %	[5-15] %	Minolta:[5-15] %
Category 2	[20-30]%	[10-20]%	[20-30] %	
Category 3	[20-30] %	[15-25] %	[15-25] %	
Category 4	[15-25] %	[10-20]%	[25-35] %	
Category 5	[<5] %	[<5]%	[75-85] %	
Total	[15-25] %	[10-20] %	[20-30] %	

22. Lanier is active on the downstream market of distribution of photocopiers. The market share of Lanier in this market is not significant. This market is explained above in detail.
23. Given the market position of the parties to the concentration, the notified operation will have de minimis impact on competition in the EEA. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

## 2.2 *Production of digital duplicators*

24. Ricoh has an EEA-wide market share of [35-45] %. They face competition mainly from the Japanese company Riso, which has a market share of [45-55] %.
25. Lanier is active on the downstream market of distribution of photocopiers [...]. The market share of Lanier in this market is not significant. This market is explained above in detail.
26. Given the market position of the parties to the concentration, the notified operation will have de minimis impact on competition in the EEA. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

### 2.3 *Production of colour photocopiers*

27. Ricoh only manufactures low-speed (<12 pages/minute) colour photocopiers. Using this market definition, which results in the highest market shares for the parties, Ricoh has an EEA-wide market share of [20-30] %. They face competition mainly from Canon and Rank Xerox, who have market shares of [35-45] % and [20-30] % respectively.
28. Lanier is active on the downstream market of distribution of photocopiers, which includes colour photocopiers. The market share of Lanier in this market is not significant. This market is explained above in detail.
29. Given the market position of the parties to the concentration, the notified operation will have de minimis impact on competition in the EEA. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

#### **IV. CONCLUSION**

30. 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,  
*(Signed by M. Monti, Member of the  
Commission)*