

***Case No COMP/M.2514 -
MAZDA MOTOR
CORPORATION / MCL***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 27/07/2001

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27.07.2001

SG (2001) D/290583

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

**Subject: Case No COMP/M.2514 – MAZDA MOTOR CORPORATION / MCL
Notification of 28.06.2001 pursuant to Article 4 of Council Regulation
No 4064/89¹**

1. On 28 June 2001, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 (“the Merger Regulation”), by which the Japanese company, Mazda Motor Corporation (“Mazda”), controlled by the US company, Ford Motor Corporation, (“Ford”), notified its intention to acquire sole control of the whole of the part of the UK company, MCL Group Limited (“MCL”), which constitutes the business of the wholesale distribution and marketing of new Mazda passenger cars, light commercial vehicles and related spare parts (“the target business”).
2. Following examination of the notification, the Commission has concluded that the notified operation falls within the scope of the said Council Regulation and does not raise serious doubts as to its compatibility with the common market and the EEA agreement.

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).

I. THE PARTIES AND THE OPERATION

3. Mazda is a Japanese company active in the development, manufacture and marketing of motor vehicles and related spare parts and accessories. Ford, which controls Mazda, is active with several other brands of vehicle, apart from Mazda and its own Ford brand, i.e. Volvo, Jaguar, Aston Martin and Land Rover.
4. The activities of the target business are confined to the Mazda brand of vehicles, and the related spare parts and accessories.
5. The operation will consist essentially of the purchase by Mazda of the MCL assets and inventories related to the target business and the transfer of all the MCL personnel engaged in the business.
6. Through the proposed operation Mazda (and so Ford), will acquire the whole of the target business, over which it will thus enjoy sole control.

II. CONCENTRATION OF A COMMUNITY DIMENSION

7. The proposed operation constitutes a concentration within the meaning of Article 3.1.b. of the Merger Regulation.
8. The undertakings concerned have a combined aggregate world-wide turnover of more than €5 billion (Ford, [...]; Target Business, [...]). Each of them has a Community-wide turnover in excess of €250 million (Ford, [...]; Target Business, [...]), and 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-wide dimension.

III. COMPATIBILITY WITH THE COMMON MARKET

A. Affected Markets

Horizontal markets

9. The operation affects two markets horizontally, both in the UK where the target business is active: i) the wholesale distribution of new passenger cars, in which Ford has some [15-25%] of the market with its other brands, and ii) the wholesale distribution of new light commercial vehicles (“LCVs”), in which Ford’s share is some [20-30%]. In both instances, the addition in share resulting from the operation is very small, as Mazda’s share is limited to some [< 3%] of the market in the UK. (There would be no horizontally affected market on a possible wider EEA market.)

Vertical Markets

10. At the upstream level of vehicle supply by manufacturers, Ford’s share in the supply of new LCVs to the UK is in the region of [20-30%], resulting in a vertically affected market. (In the supply of new passenger cars Ford’s share is some [15-25%.])
11. At the downstream level, Ford’s market share of the retail sale of new passenger cars in the UK is [1-5%], as the great majority of sales of car brands of the Ford Group are carried out by authorized dealers, not owned or controlled by Ford, as is also the case for the retailing of Ford’s different brands of LCVs.

B. Assessment

12. The operation consists essentially in the vertical integration by Ford of the wholesale distribution in the UK of its Mazda brand of new passenger cars, LCVs and related spare parts and accessories. As such the operation is in line with Ford's practice of having the wholesale distribution of its vehicles undertaken by companies it controls or owns, and indeed in line with a growing tendency by motor vehicle manufacturers in general to integrate vertically the activities of the wholesale distribution of their products.
13. With regard to the competitive impact of the operation, given the level of the combined market share achieved in the horizontally affected markets, together with the very small addition of market share, as described above, the operation does not raise any competition concerns. Nor does it raise any concerns with regard to the vertically affected market, as it is not expected to result in any additional market foreclosure at the wholesale level in the UK, given that the business being acquired, will be limited, as before the operation, to the Mazda brand of vehicles.

IV. CONCLUSION

14. 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
(Signed)
Member of the Commission