

***Case No COMP/M.2834 -  
ALCHEMY / COMPAIR***

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: 17/06/2002

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 17/6/2002

SG (2001) /D/230198

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

**Subject: Case No COMP/M.2834 – ALCHEMY/COMPAIR**

Notification of 13 May 2002 pursuant to Article 4 of Council Regulation No 4064/89

1. On 13 May 2002, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which Alchemy Partners (Guernsey) Limited (“Alchemy”) acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the CompAir Business (“CompAir”) currently undertaken by Invensys plc. (“Invensys”) by way of purchase of assets and shares. Alchemy will own 68% of the shares, the remainder being held by several minority shareholders. None of the minority shareholders will retain any influence over CompAir.
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. Alchemy is a capital investment company making investments of an equity nature in leveraged and management buy-outs and buy-ins and provides development capital. Invensys was formed in 1999 through the Merger of BTR plc. and Siebe plc<sup>2</sup>, and is a

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<sup>1</sup> 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).

<sup>2</sup> See Case No. IV/M. 1380 Siebe/BTR

global provider of automation and control equipment. CompAir manufactures and sells air and gas compressors and is currently part of Invensys' Air Systems Division.

## **II. COMMUNITY DIMENSION**

4. Undertakings Alchemy and CompAir have a combined aggregate world-wide turnover in excess of EUR 5,000 million<sup>3</sup> (Alchemy, EUR [...] million; and G, EUR [...] million ). Each of them has a Community-wide turnover in excess of EUR 250 million (Alchemy, EUR [...] million; CompAir, EUR [...] million), 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 dimension, but does not constitute a co-operation case under the EEA Agreement, pursuant to Article 57 of that Agreement.

## **III. COMPETITIVE ASSESSMENT**

### **A. Relevant product market**

5. The notifying party states that there is a relevant product market for air and gas compressors. Air compressors deliver air at various pressures and at various levels of air quality. Air compressors compress air or nitrogen, creating pressure and energy to drive other machines, tools, automatic equipment and material handling systems. Compressors are also used for personal breathing devices used by divers, fire-fighters and other emergency personnel. Gas compressors are used in chemical and physical processes to raise pressure within the process or to transfer gases. Compressors can be categorised by the following categories:

- portable vs. stationary
- oil-injected vs. oil-free
- the type of technology used<sup>4</sup>
- the capacity

6. However, it is not necessary to further delineate the relevant product market because, in 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**

7. The notifying party states that the relevant geographic market is at least EEA-wide and likely to be global. This is supported by large trade flows and low transportation costs, both on a global as well as an EEA-wide level.
8. However, 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.

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<sup>3</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).

<sup>4</sup> piston, rotary vane, rotary oil-injected screw, rotary oil-free screw, water-injected rotary screw and turbo/centrifugal

### **C. Assessment**

9. CompAir has a market share of [10-15]% in an EEA-wide market and [5-10]% on a global market for all air and gas compressors. Their main competitors are Atlas Copco and Ingersoll-Rand. Since neither Alchemy nor any company controlled by Alchemy is active on any market for air and gas compressors, there is neither a horizontal overlap nor an addition of market shares.
10. Compressors are a vertically affected market since Alchemy controls Survitec Group Ltd. ("Survitec"), a manufacturer of commercial marine life rafts. The main customers of Survitec are cruise lines and the US and Royal Navies. They have a market share of [>25]% (depending on the exact delineation of the market). Survitec uses gas compressors to fill cylinders with gas which are supplied with the rafts. The cylinders are used to inflate the raft when necessary. Survitec uses a total of three stationary compressors and has not purchased a gas compressor for at least [...] years.
11. Although air and gas compressors technically are a vertically affected market, the vertical relation is truly *de minimis* and will not have an effect on competition on either market.

### **V. CONCLUSION**

12. 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  
(signed)