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***Case No COMP/M.3433 -  
HELLA / BEHR /  
PLASTIC OMNIUM / JV***

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: 13/05/2004

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 13/05/2004

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NOT TO BE PUBLISHED

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

**To the notifying party**

Dear Sir/Madam,

**Subject: Case No COMP/M.3433 – Hella / Behr / Plastic Omnium / JV  
Notification of 07/04/2004 pursuant to Article 4 of Council Regulation  
No 4064/89<sup>1</sup>**

1. On 07/04/2004, the Commission received a notification of proposed concentration by which Hella KG Hueck & Co. (“Hella”, Germany), Behr GmbH & Co. (“Behr”, Germany) and Plastic Omnium Auto Exteriors S.A.S. (“Plastic Omnium”, France) acquire within the meaning of Article 3 (1) (b) of the Council Regulation joint control of Hella Behr Beteiligungsgesellschaft GmbH (“JV”, Germany) by way of purchase of shares.

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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).

2. After examining the notification, the Commission has concluded that the notified operation falls within the scope of the Merger Regulation and that does not raise serious doubts as to its compatibility with the common market.

## **I. THE PARTIES AND THE CONCENTRATION**

3. The business activities of the undertakings concerned are :
  - Hella : lighting and electronic equipment for the automotive industry
  - Behr : engine cooling and other components for the automotive industry
  - Plastic Omnium: body parts for the automotive industry
  - JV: front-end modules (“fems”) for the automotive industry (cars and light commercial vehicles).
4. Hella and Behr already jointly control the JV, which is a full-function joint venture whose creation was cleared by the Bundeskartellamt in 1999. Post-transaction, Plastic Omnium, Hella, and Behr will each hold one third of the shares in JV, which will pass from dual to tri-partite control. Thus the concentration consists of the addition of Plastic Omnium as a controlling party to the pre-existing Hella/Behr/JV structure.

## **II. COMMUNITY DIMENSION**

5. The combined worldwide turnover of the undertakings concerned exceeds EUR 5 billion. Each of Hella, Behr and Plastic Omnium have an aggregate Community-wide turnover in excess of EUR 250 million, but they do not achieve more than two-thirds of their Community-wide turnover within one and the same member state. The notified operation therefore has a Community dimension.

## **III. COMPETITIVE ASSESSMENT**

### *A. Relevant markets*

6. A fem, the JV product, is a pre-assembled combination of components such as lamps, fans, bumper systems etc., which is fastened on to the front of the chassis of a motor vehicle. A motor vehicle manufacturer, when introducing a new model with a new “platform”, may choose either to install all front-end components (lamps bumpers etc.) in-house, or may choose to procure ready-assembled fems from third-party manufacturers. According to the parties, given this option available to the vehicle manufacturer, the price of bought-in fems is constrained by the availability of individual front-end components, and the relevant product market is a uniform “front-end parts” (including models) market, which, in line with previous Commission decisions in the automotive components sector, is at least EEA-wide.
7. One type of component which is included in this market are so-called “carriers”, which are basically metal bars and associated pieces which are used as supports for the other components (lamps, bumpers, etc.). Plastic Omnium produces carriers.

*B. Assessment*

8. Hella and Behr already supply lighting and cooling systems, respectively, to JV. Posttransaction Plastic Omnium will supply carriers to JV, which will also, however, procure parts from other suppliers according to the specifications of JV's customers' (i.e. vehicle manufacturers).
9. There are no horizontal overlaps involved in the proposed transaction, which leads to a new vertical relationship, namely the supply by Plastic Omnium of carriers to JV.
10. According to the parties' best estimates, Plastic Omnium produced about [0 - 10] % of the carrier units supplied in the EU in 2003. Carrier production is divided between a number of different companies, such as Dynamit, Faurecia, and Visteon, none of whom have more than [10 - 20] % of total production. Moreover JV's production (in units) of fems in 2003 amounted to only about [...] of Plastic Omnium's production (in units) of carriers. Therefore, post-transaction, Plastic Omnium will need to supply companies other than the JV with carriers in order to fully utilise its existing capacity, and moreover JV's competitors in the fem sector – (other fem suppliers in the EU include Faurecia and Denso) will have several other suppliers of carriers other than Plastic Omnium. Moreover, JV's customers, the auto manufacturers who specify the front-end components which they require, have significant buying power.

**IV. CONCLUSION**

11. 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 (EC) No 4064/89.

For the Commission

*(Signed)*

Franz FISCHLER  
Member of the Commission