

***Case No COMP/M.4239 -
PLASTIC OMNIUM /
INOPART***

Only the English text is available and authentic.

**REGULATION (EC) No 139/2004
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 27/10/2006

***In electronic form on the EUR-Lex website under document
number 32006M4239***



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 27/10/2006

SG-Greffe(2006) D/206494

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 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 Where possible the information omitted has been replaced by ranges of figures or a general description.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/Madam,

**Subject: Case No COMP/M.4239 - Plastic Omnium/Inopart
Notification of 25.09.2006 pursuant to Article 4 of Council Regulation
No 139/2004¹**

1. On 25/09/2006 the Commission received a notification of a proposed concentration pursuant to Article 4 and following a referral pursuant to Article 4(5) of Council Regulation 139/2004 (the “Merger Regulation”) with respect to a concentration leading to the acquisition of sole control by the French company Compagnie Plastic Omnium SA (hereinafter referred to as “Plastic Omnium”) of the French company Inopart SA (hereinafter referred to as “Inopart”).

I. THE PARTIES AND THE OPERATION

2. Plastic Omnium is active in three main areas: the design and manufacture of automobile components, the manufacture of performance plastics products, and the provision of environmental services. Plastic Omnium is part of Burelle SA, a family holding company, which also controls companies active in road sign and safety equipment, real estate management and capital investment.

¹ OJ L 24, 29.1.2004 p. 1.

3. Inopart is active, through its subsidiary Inoplast SA, in the design and production of components in composite and thermoplastic materials, sold to the automobile or truck industry. Inopart is currently controlled by the undertaking Diaz SAS.
4. Before the transaction, Plastic Omnium was holding 49.01% of Inopart shares². On 25 April 2006, the parties signed an agreement whereby Plastic Omnium acquires the remaining 50.99% of Inopart shares.

II. CONCENTRATION

5. Plastic Omnium will acquire sole control over Inopart. Therefore the transaction constitutes a concentration within the meaning of Article 3 (1)(b) of the Merger Regulation.

III. COMMUNITY DIMENSION

6. Burelle SA has a world-wide turnover of € 2.288 million and a Community-wide turnover of € 1.553 million. Inopart has a world-wide turnover of € 231 million and a Community-wide turnover of € 220 million³. The notified concentration therefore does not have a Community dimension within the meaning of Article 1 of the EC Merger Regulation.
7. However, on 10 August 2006, the notifying party informed the Commission in a reasoned submission pursuant to Article 4(5) of the EC Merger Regulation that the concentration was capable of being reviewed under the national competition laws of at least three Member States, namely France, Germany, Spain and the United-Kingdom, and requested the Commission to examine it. None of the Member States competent to examine the concentration indicated its disagreement with the request for referral within the period laid down by the Merger Regulation.
8. Therefore the concentration is deemed to have a Community dimension pursuant to Article 4(5) of the EC Merger Regulation.

IV. COMPETITIVE ASSESSMENT

9. The transaction involves the manufacturing and sale to OEM/OES⁴ of automobile components i.e. bumpers for passenger cars, fenders, hatchbacks, boot doors and boot floors. In line with the Commission's past practice, the parties submit that each of these components constitutes a distinct market⁵, the geographic scope of which is European wide.

² The parties submit that this shareholding did not confer any control to Plastic Omnium on Inopart.

³ 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, p. 25).

⁴ In past Commission's decisions, and in particular in case COMP/M.3789 Johnson Controls/Robert Bosch/Delphi SLI, OEM (Original Equipments Manufacturers) and OES (Original Equipments Services) were found to be part of the same relevant market.

⁵ In past decisions in the automobile components sector, the Commission has usually defined distinct markets for each category of automobile component. For instance, in its decision in the case COMP/M.2241 Peugeot/Sommer Allibert, the Commission defined the market for bumpers, door panels and instrument panel.

10. On the European markets for bumpers, Plastic Omnium has a market share of [10-20]%. Inopart has exited this market⁶ so that only a residual minimal horizontal overlap occurs. Therefore the transaction does not change the competitive situation on the European market for bumpers.
11. The same assessment applies to the European market for fenders, where Plastic Omnium has a market share of [55-65]%. This does not take into account the internal production by car manufacturers, which represents 94% of the total fenders production. Inopart is also exiting this market as it only produces fenders for the Renault Vel Satis, the production of which is in constant decline⁷.
12. With regards to the markets for hatchbacks, boot doors, and boot floors, Inopart is active as an independent entity as well as through a Joint Venture. This Joint Venture is jointly controlled by Inopart and Plastic Omnium. The parties have explained in the notification that, in practice, Inopart has control over the commercial activities of the JV as Inopart and the JV have never been competing directly. Hence, the operation does not alter this situation and no markets are affected.
13. In addition the transaction does not bring about any vertical relations between the activities of Plastic Omnium, Burelle S.A. and Inopart. On this basis, the proposed operation does not raise any competition concerns.

VI. 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 (EC) No 139/2004.

For the Commission
signed
Neelie KROES
Member of the Commission

⁶ Inopart makes marginal residual sales of components for cars of the eighties: Renault Espace 1, Renault Super 5, Renault R25 and Renault Trafic. This production which represents 0,06% of the market, is about to end.

⁷ Inopart's production represents 0,0004% of the total European production.