

***Case No COMP/M.4929 -  
FIAT / ERGOM***

Only the English text is available and authentic.

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

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Article 6(1)(b) NON-OPPOSITION  
Date: 20/11/2007

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## COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20/11/2007

SG-Greffe(2007) D/207072

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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.4929 – FIAT / ERGOM  
Notification of 15.10.2007 pursuant to Article 4 of Council Regulation  
No 139/2004<sup>1</sup>**

1. On 15.10.2007, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 ("the Merger Regulation") by which Fiat Group Automobiles S.p.A. ("Fiat", Italy) acquires sole control of Ergom Holding S.p.A. ("Ergom", Italy) by way of purchase of shares.

#### **I. THE PARTIES**

2. **Fiat** is active in the manufacture and sale of automobiles, commercial vehicles, agricultural machinery, construction equipment, automotive components, and metallurgical products.
3. **Ergom** is mainly active in the design and manufacture of plastic systems and components for the automotive industry (bumpers, instrument panels and fuel systems). In addition, Ergom has some activities in the air-transport and tourist services sectors. Fiat is today Ergom's main customer of plastic systems and components as Ergom's sales to Fiat represent [...] % of its production of plastic systems and components.

#### **II. THE OPERATION AND THE CONCENTRATION**

4. Pursuant to a share purchase agreement signed by the parties on 27.07.2007, Fiat will acquire 100% of Ergom's share capital. This will confer sole control to Fiat over Ergom and therefore constitutes a concentration in the meaning of Article 3 of the Merger Regulation.

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<sup>1</sup> OJ L 24, 29.1.2004 p. 1.

### III. COMMUNITY DIMENSION

5. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion<sup>2</sup> (Fiat, €51 billion; Ergom, €519 million). Each of them have a Community-wide turnover in excess of EUR 250 million (Fiat, €33 billion; Ergom, 494 million). Only Ergom generates more than two-thirds of its turnover in one Member State, namely Italy. The notified operation, therefore, has a Community dimension.

### IV. COMPETITIVE ASSESSMENT

6. By the proposed transaction, Fiat is acquiring one of its suppliers of plastic components for its auto-vehicles manufacturing activities. The concentration is therefore purely vertical as Fiat acquires a supplier and there are no horizontal overlaps between the activities of Fiat and Ergom.

#### *Upstream markets for automotive components*

7. As regards the product markets concerned, in several Commission decisions, the market for automotive components has been broken down in different sub-markets depending on the type of components<sup>3</sup> and divided into the components supplied to OEMs as first install equipment and the components supplied as replacement (after market)<sup>4</sup>. As regards the second distinction, the parties submit that it is not relevant for the purposes of this case as Ergom is not active in the after market. As regards the delineation by type of components, Ergom is active on the following segments:
  - a) bumpers,
  - b) instrument panels,
  - c) fuel systems.
8. In line with the Commission's past practice<sup>5</sup>, the parties submit that the geographic scope of each of these automotive components markets is EEA-wide.
9. In the above mentioned markets for automotive components Ergom has market shares of respectively [5-10]% (bumpers), [0-5]% (instrument panels) and [0-5]% (fuel systems) in the EEA, whereas Fiat is not active in any of these markets. In such markets there are a number of strong independent European suppliers like the Plastic Omnium, Faurecia and Kautex.

#### *Downstream markets for manufacturing and sale of vehicles*

10. In the downstream markets of the automotive industry<sup>6</sup>, Fiat is active in the production of passenger cars and light commercial vehicles<sup>7</sup>, where its market shares at EEA level are

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<sup>2</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>3</sup> See cases COMP/M.4239 Plastic Omnium / Inopart and COMP/M.2241 Peugeot/Sommer Allibert.

<sup>4</sup> See case COMP/M.3972 TRW Automotive / Dalphi Metal Espana.

<sup>5</sup> See case COMP/M. 3433 Hella/Behr/Plastic Omnium/JV.

<sup>6</sup> In past Commission's decisions, and in particular in case COMP/M.2832 General Motors/Daewoo Motors, passenger cars and light commercial vehicles were defined as distinct markets. As regards, the geographic market, the exact definition was ultimately left open and national markets were envisaged.

7.5% and 14% respectively. At national level, the transaction would lead to vertically affected markets in one Member State, namely Italy, where Fiat's market shares are 31% for passenger cars and 58% for light commercial vehicles.

11. The change brought about by the planned transaction is limited as Fiat is already the main customer of Ergom. In addition, Ergom currently enjoys a rather small market position on each of markets for automotive components where it is active and there are several larger alternative suppliers on each of these markets.
12. In view of the absence of concerns raised by the market investigation and the limited change brought about by the proposed transaction, the Commission concludes that the proposed operation does not raise any competition concerns.

## **V. CONCLUSION**

13. 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

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<sup>7</sup> Other markets for vehicles where Fiat is also active are not concerned by the proposed transaction as Ergom's sales are predominantly directed to manufacturers of passenger cars and light commercial vehicles.