

*Case No IV/M.505 -  
Shell / Monteshell*

Only the English text is available and authentic.

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

---

Article 6(1)(b) NON-OPPOSITION  
Date: 16/12/1994

*Also available in the CELEX database  
Document No 394M0505*



COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 16/12/1994

MERGER PROCEDURE  
ARTICLE 6(1)b DECISION

**PUBLIC VERSION**

Registered with advice of delivery

**To the notifying parties**

Subject: Case No.IV/M.505- SHELL/MONTESHELL  
Notification of 15.11.1994 pursuant to Council Regulation (EC) No.  
4064/89

Dear Sirs,

- 1 On 15 November 1994 Shell Italia SpA notified to the Commission its intended acquisition of Monteshell SpA.
- 2 After examination of the notification, the Commission has concluded that the notified operation falls within the scope of application of Council Regulation No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

I THE PARTIES

- 3 Shell Italia is incorporated in Italy. It is a member of the Royal Dutch/Shell group, which is engaged in the supply of oil, natural gas, coal and related products worldwide. Shell Italia manufactures and supplies at a wholesale level lubricants, liquified petroleum gas and other petroleum products, chemicals and related products. Its activities are limited to Italy.
- 4 Monteshell also is an Italian company whose activities are almost wholly confined to Italy. It is a concentrative joint venture jointly created in 1987 and controlled by Shell Italia and Edison SpA, a member of the Montedison group. Its principal business is the retail supply of automotive fuels and lubricants, but it also engages in the supply of liquified petroleum gas, bitumen and services connected with hydrocarbon derivatives.

## II THE OPERATION

- 5 Shell Italia will acquire from Edison its shares in Monteshell and thus sole control of Monteshell.
- 6 [...]1.

As part of the operation Shell Italia intends to integrate the activities which it acquires into its own business. This step is internal to the Shell Italia corporate group. It raises no competition issues additional to those considered in this decision.

## III CONCENTRATION OF COMMUNITY DIMENSION

- 7 The notified operation constitutes a concentration within the meaning of Article 3(1)b of the Regulation.
- 8 The undertakings concerned have a combined aggregate worldwide turnover in excess of 5000 million ECU. Each has a Community-wide turnover in excess of 250 million ECU, but only Monteshell achieves more than two-thirds of its aggregate Community-wide turnover within one Member State. The notified operation therefore has a Community dimension.

## IV COMPATIBILITY WITH THE COMMON MARKET

### a) Relevant product markets

- 9 Monteshell is currently active in the supply of automotive fuels (ie motor gasoline and automotive gas oil), lubricants, liquified petroleum gas and bitumen at the retail level. In relation to these products, Shell Italia is only active in the supply of lubricants and liquified petroleum gas and this only at the wholesale level of supply. In fact, 28 per cent of Monteshell's liquified petroleum gas requirements are obtained from Shell Italia and almost all of its lubricants.
10. According to the notifying parties the wholesale and retail markets are separate and as such no addition of market share ensues from the operation. Having regard to the demand and supply characteristics of both markets, in particular the nature of the customers, the order volumes and the distribution methods necessary to compete, this would appear to be the case. Nevertheless, having regard to the market shares held by the parties it is clear that this question can be left open since there are no affected relevant product markets and no competition issues arise from the operation.

### b) Geographical reference markets

11. The Royal Dutch/Shell group supplies the relevant products worldwide. Monteshell supplies them only in Italy. If the parties are considered to be engaged in the same product market, the geographical market can be considered to be at least

---

[...]1 Deleted business secrets.

Italy. This is because the conditions of competition are sufficiently homogeneous at the national level; for example Monteshell has a network of 2150 retail outlets (filling stations) and a distribution system for domestic supply of liquified petroleum gas throughout Italy.

**c) Competitive assessment**

12. The market shares of the parties in Italy for the different relevant product markets indicated above are as follows:

	RETAIL LEVEL (MONTESHELL only)	WHOLESALE LEVEL (SHELL ITALIA only)
Automotive fuels: -motor gasoline -automotive gasoil	[...] <sup>2</sup>	[...] <sup>2</sup>
Lubricants	[...] <sup>2</sup>	[...] <sup>2</sup>
Liquefied Petroleum Gas	[...] <sup>2</sup>	[...] <sup>2</sup>
Bitumen	[...] <sup>2</sup>	[...] <sup>2</sup>

The market shares of the parties are not substantial in competition terms and, moreover, there are other competitors with higher or comparable market shares e.g. AGIP, ESSO Italiana and Kuwait Petroleum Italia. Lastly, the operation does not give rise to any significant vertical effects. Consequently no competition issues arise.

13. The operation accordingly does not in any circumstances create or strengthen a dominant position as a result of which competition could be distorted in the common market or a substantial part of it.

**V CONCLUSION**

14. For the foregoing reasons, the proposed concentration does not raise serious doubts as to its compatibility with the common market and with the functioning of the EEA Agreement.

\*  
\* \*

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 functioning of the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation No. 4064/89.

For the Commission

---

[...]<sup>2</sup> Deleted business secrets, all market shares in the range 0 - 10%.