

***Case No COMP/M.6726 - AAEC/ RABO INVESTMENTS/
VECELIA/ HVEG***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 28/11/2012

***In electronic form on the EUR-Lex website under
document number 32012M6726***



Brussels, 28.11.2012
C(2012) 8860 final

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 Where possible the information omitted has been replaced by ranges of figures or a general description.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

To the notifying parties:

Dear Sir/Madam,

**Subject: Case No COMP/M.6726 - AAEC/ RABO INVESTMENTS/ VECELIA/ HVEG
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004¹**

1. On 23 October 2012, the European Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation by which the undertakings ABN Amro Effecten Compagnie B.V ("AAEC", The Netherlands) belonging to ABN AMRO Bank N.V. ("ABN AMRO", The Netherlands), Rabo Investments B.V. ("Rabo Investments", The Netherlands), a wholly owned subsidiary of Coöperative Centrale Raiffeisen-Boerenleenbank ("Rabobank", The Netherlands) and Vecelia Investments B.V. ("Vecelia", The Netherlands) acquire within the meaning of Article 3(1)(b) of the Merger Regulation joint control of the undertaking HVEG Investments B.V ("HVEG", The Netherlands) by way of acquisition of shares². HVEG is presently solely controlled by Vecelia. AAEC, Rabo Investments and Vecelia are hereinafter referred to as the "notifying parties".

¹ OJ L 24, 29.1.2004, p. 1 ("the Merger Regulation"). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ("TFEU") has introduced certain changes, such as the replacement of "Community" by "Union" and "common market" by "internal market". The terminology of the TFEU will be used throughout this decision.

² Publication in the Official Journal of the European Union No C 332, 30.10.2012, p. 13.

I. THE PARTIES

2. AAEC is a wholly owned subsidiary of ABN AMRO specialising in holding equity stakes for ABN AMRO (for example following restructurings). ABN AMRO is an international banking group active worldwide in four principal customer segments: personal banking, private banking, business and commercial clients and corporate and institutional clients.
3. Rabo Investments is a wholly owned subsidiary of Rabobank, a large financial institution active in the Netherlands and internationally.
4. Vecelia is the holding company of HVEG. It holds the majority (90%) of the ordinary shares in HVEG and exercises sole control of the company.³
5. HVEG is an international wholesale company specialising in women's, men's and children's clothing and accessories. HVEG's clothing is sold under private labels by large retailers and members of purchasing combinations throughout Europe. HVEG has offices in the Netherlands, Germany, China and Bangladesh. Production of these clothes and accessories takes place mainly in Eastern Europe and Asia.

II. THE OPERATION

6. The proposed transaction concerns the joint control by ABN AMRO, Rabobank and Vecelia over HVEG.
7. [...]⁴.
8. [...]⁵, [...]⁶. [...].
9. Thus, through AAEC's and Rabo Investments' acquisition of rights regarding the decisions as described in the preceding paragraphs (which go beyond the rights normally accorded to minority shareholders in order to protect their financial interests as investors) these undertakings, together with Vecelia, will acquire joint control over HVEG.
10. In view of the above, the notified transaction represents a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

III. EU DIMENSION

11. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million⁷ (ABN AMRO: EUR 7 794 million, Rabobank: EUR 27 025

³ The remaining 10% of HVEG's ordinary shares are held by Stichting Administratiekantoor HVEG Investments which has issued depositary receipts to certain individuals including personnel and managers of HVEG. However, Stichting Administratiekantoor HVEG Investments does not hold any special rights which would confer any degree of control over HVEG and this situation will remain unchanged following the transaction,

⁴ [...].

⁵ [...].

⁶ [...].

⁷ Turnover calculated in accordance with Article 5 of the Merger Regulation.

million, HVEG: EUR 114 million). At least two of the undertakings concerned have an EU-wide turnover in excess of EUR 250 million (ABN AMRO: EUR [...], Rabobank: EUR [...]). Only ABN AMRO and Rabobank achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State (the Netherlands).

12. Therefore, the notified operation has an EU dimension pursuant to Article 1(2) of the Merger Regulation.

IV. COMPETITIVE ASSESSMENT

1. Market definition

13. HVEG is active in the wholesale of women's, men's and children's clothing and accessories.
14. The Commission has not adopted a definite market definition with respect to the scope of the relevant product market(s) for the wholesale of clothing and footwear. There are only two relevant cases in which the Commission addressed (sub-) segments of the market for the manufacturing of clothing, in particular sports apparel⁸ and hosiery and intimate apparel (i.e. underwear)⁹. With regard to sports apparel the Commission concluded that the exact product market definition could be left open. It further concluded that the relevant geographic markets were national. With regard to hosiery products and intimate apparel the Commission concluded that branded and private label products constituted a single market. The Commission further concluded that the relevant geographic markets were national.
15. None of the parent companies, AAEC and Rabo Investments are active in the wholesale of clothing and footwear and in the manufacturing of clothing (or upstream or downstream of such markets), in which HVEG is specialised.
16. However, there are overlaps between two of the parties to the proposed transaction, namely ABN AMRO (AAEC) and Rabobank (Rabo Investments). The markets on which the activities of ABN AMRO and Rabobank overlap are: (i) retail banking, (ii) corporate banking (including finance to local authorities), (iii) investment banking and (iv) financial market services.
17. As the concentration does not raise serious doubts under any alternative definition, the product and geographic delineation of the relevant markets can be left open for the purpose of this decision.

2. Assessment

18. Neither ABN AMRO nor Rabobank is active in the wholesale of clothing and footwear, the manufacturing of clothing or in a market which is upstream or downstream or closely related to the markets in which HVEG operates.
19. For these reasons, the Commission concludes that the concentration will not lead to a significant impediment of competition in those markets.

⁸ Case COMP/M.3942 – Adidas/Reebok, 24 January 2006.

⁹ Case COMP/M.1892 – Sara Lee Courtaulds, 8 May 2000.

20. Furthermore, spill-over effects within the meaning of Article 2(4) of the Merger Regulation as a result of the proposed transaction can be excluded.
21. Indeed, the joint venture and the parent companies perform different types of activities. Both ABN AMRO and Rabobank are active in the retail banking market, the corporate banking market, the investment banking market and the financial market services, while HVEG is active in the wholesale of clothing and footwear and manufacturer of clothing and apparel markets. Furthermore the joint venture only represents a small part of the parents' portfolio, so that coordination between independent undertakings that restricts competition within the meaning of Article 101(1) of the TFEU is highly unlikely.

V. CONCLUSION

22. For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation.

For the Commission
(signed)
Joaquín ALMUNIA
Vice-President