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***Case No COMP/M.7417 - SIME DARBY/ NEW BRITAIN
PALM OIL***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 23/01/2015

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EUROPEAN COMMISSION

Brussels, 23.1.2015
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PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the Notifying Party:

Dear Sirs,

**Subject: Case M.7417 – SIME DARBY/ NEW BRITAIN PALM OIL
Commission decision pursuant to Article 6(1)(b) of Council Regulation
No 139/2004¹**

- (1) On 10 December 2014, the European Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No 139/2004 by which the undertaking Sime Darby Plantation Sdn Bhd, belonging to the Sime Darby Group ('Sime Darby', Malaysia), acquires within the meaning of Article 3(1)(b) of the Merger Regulation control of the whole of the undertaking New Britain Palm Oil Limited ('NBPOL', Papua New Guinea), by way of public bid announced on 9 October 2014. Sime Darby is hereinafter referred to as 'the Notifying Party'. Sime Darby and NBPOL are hereinafter together referred to as 'the Parties'.
- (2) This case was notified using the short Form CO on 31 October 2014. The Notifying Party withdrew the notification on 27 December 2014 and re-submitted the notification on 10 December 2014 using the normal Form CO.

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.

1. THE PARTIES AND THE OPERATION

- (3) Sime Darby is a Malaysian multinational business group. It has activities in various sectors including, among others, palm oil plantations as well as the production and processing of palm oil and palm kernel oil. The ultimate owner of Sime Darby is the Malaysian Government. However, the Notifying Party submits that Sime Darby is operated on an arms-length basis from the government.
- (4) NBPOL is active in palm oil plantation as well as in the production and processing of palm oil and palm kernel oil. It also has activities in the production of sugar, beef and oil palm seeds. It is incorporated and headquartered in Papua New Guinea.
- (5) The transaction concerns Sime Darby's offer to acquire all of the issued share capital of NBPOL, or at least 51% of its voting shares, through a public bid announced on 9 October 2014. On 23 October 2014, the NBPOL's Board of Directors issued a unanimous formal recommendation to shareholders to accept Sime Darby's offer. Accordingly, if the transaction is successful, Sime Darby will have at least the majority of the voting rights and, thus, the sole ability to appoint or remove members of the Board². Consequently, Sime Darby will have sole control over NBPOL.
- (6) Therefore, the proposed transaction constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

2. UNION DIMENSION

- (7) The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 000 million³ (Sime Darby: [...], NBPOL: [...]). Each of them has a Union-wide turnover in excess of EUR 250 million (Sime Darby: [...], NBPOL: [...]), but they do not achieve more than two-thirds of their aggregate Union-wide turnover within one and the same Member State. The notified operation therefore has a Union dimension pursuant to Article 1(2) of the Merger Regulation.

3. RELEVANT MARKETS

3.1. General remarks

- (8) Palm oil is a type of vegetable oil that is produced from the pulp and kernel of the fruit of oil palms, i.e. oleaginous fruits. The resulting products are crude palm oil ('CPO') and crude palm kernel oil ('CPKO') respectively. Those can then be processed into refined palm oil ('RPO') and refined palm kernel oil ('RPKO').

² Pursuant to clauses 21.1 and 22.9 of NBPOL's constitution, decisions on NBPOL's annual budget, business plan, appointment and removal of senior management and major investments are currently approved or rejected at Board of Directors level by simple majority.

³ Turnover calculated in accordance with Article 5 of the Merger Regulation and the Commission Consolidated Jurisdictional Notice.

- (9) Palm oil and palm kernel oil can be certified as coming from environmentally sustainable sources ('CS CPO' and 'CS CPKO', respectively) under a number of different agricultural certification schemes, including the Roundtable for Sustainable Palm Oil ('RSPO')⁴ and the International Sustainability and Carbon Certification scheme ('ISCC')⁵. The RSPO was established in 2004, and NBPOL has been 100% certified by the RSPO since the end of 2012.
- (10) The Parties are active in the production and supply of bulk CPO and CPKO. Their production is located in Malaysia and Indonesia. The Notifying Party estimates that the total oil palm planted land worldwide is in the region of 16–17 million hectares, with 5 million hectares in Malaysia and 8 million hectares in Indonesia. There is no installed capacity for the production of bulk CPO or CPKO in the EU.
- (11) In addition to selling crude oils to third parties, the Parties also refine CPO and CPKO into RPO and RPKO at their own refineries. Within the EU, Sime Darby operates a refinery in the Netherlands and NBPOL in the UK.

3.2. Relevant product markets

- (12) The Commission has previously assessed different vegetable seed oils but has ultimately left the exact market definition open, including the question whether tropical seed oils such as palm oil and palm kernel oil belong to the same market as other vegetable oils.⁶ While assessing crude and refined seed oils separately, the Commission has also recently left open whether crude and refined seed oils belong to separate relevant markets.⁷
- (13) The Notifying Party considers that palm CPO and CPKO do not constitute separate relevant product markets and submits that there is a significant degree of demand-side substitution between different vegetable and tropical oils and in particular between coconut and palm oil, given that they are used for many of the same purposes. The Notifying Party further submits that similar considerations apply to the refined oils RPO and RPKO and that many of the large refineries operate on a multi-feedstock basis.
- (14) In terms of certified sustainable ('CS') products, the RSPO has devised four supply chain systems, three of which follow physical palm oil through the supply chain: (i) identity preserved ('IP CS'), which traces a batch of sustainable palm oil all the way back to specific RSPO-certified plantations; (ii) segregated ('SG CS'), which

⁴ RSPO is a global, multi-stakeholder initiative on sustainable palm oil. Members and participants of RSPO include plantation companies, manufacturers and retailers of palm oil products, environmental NGOs and social NGOs.

⁵ The ISCC is based on the European Union's Renewable Energy Directive and German sustainability ordinances (BioNachV).

⁶ See, e.g. M.6383 – *Cargill / KoroFrance*, paragraphs 23–27; M.3188 – *ADM / VDBO*, paragraphs 10 and 11; M.2693 – *ADM / ACTI*, paragraphs 11–5 and M.1126 – *Cargill / Vandermoortele*, paragraphs 8 and 9.

⁷ M.6383 – *Cargill / KoroFrance*, paragraphs 28–34. In an earlier case, the Commission has nonetheless indicated that bulk crude and refined oils should be considered to belong to separate relevant product markets. See M.3188 – *ADM / VDBO*, paragraph 12.

permits the mixing of RSPO-certified oil from various sources as long as the mix is kept apart from uncertified oil; (iii) mass balance ('MB CS'), which allows for administrative monitoring of any mixing of RSPO-certified and uncertified palm oil in the supply chain, to check whether the volume of sustainable oil that is claimed does not exceed the amount that is actually produced; and (iv) GreenPalm system (or 'book and claim'), which simply consists of the purchase of GreenPalm certificates and does not involve the delivery of physical certified and sustainable oil. The four schemes are applicable to both palm oil and palm kernel oil.

- (15) The Notifying Party submits that CS products do not constitute markets separate from non-CS products. The Notifying Party refers to the Commission not having considered 'fair trade' as separate markets in its previous edible products cases. Moreover, the Notifying Party submits that the certified products are physically identical to the non-certified products and that all major suppliers are able to supply both certified and non-certified products.
- (16) The responses to the market investigation indicate that there is a level of substitutability between different types of vegetable oils. The majority of customers of CPO and CPKO considered that, while the suppliers of tropical and non-tropical vegetable oils are different, the products are comparable in terms of price and applications of use. A market participant explained that *'vegetable oils can be substituted amongst themselves for many applications, so prices are strongly correlated'*.⁸
- (17) As to the differentiation between CPO and CPKO, the majority of respondents to the Commission's market investigation sourcing and supplying those products indicated that while the supplier base for those products is usually the same (both being made from the same fruit), the customers are different. Moreover, respondents indicated that the products are not comparable in terms of price (CPKO being more expensive) nor in the applications they are used for.⁹ Moreover, the majority of respondents to the Commission's market investigation sourcing and supplying the refined products (RPO and RPKO) expressed similar views and noted that while the supplier base for those products is often the same, they are not comparable in terms of price (RPKO being more expensive) nor in the applications they are used for. One customer explained that *'palm oil and palm kernel oil have different end uses. Palm kernel oil, which is semi-solid at room temperature, is more saturated than palm oil and comparable to coconut oil. Palm oil can be used as a dough fat however palm kernel oil has more solid elements and is therefore mostly used in cream fats'*.¹⁰
- (18) Regarding the potential market segmentation between CS and non-CS products, the majority of respondents to the Commission's market investigation sourcing and supplying those products indicated that while the same suppliers typically supply both CS and non-CS products, they are not comparable in terms of price because CS products are generally charged in the market at a premium even if a CS product

⁸ Replies to question 6 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors.

⁹ Replies to questions 7 and 8 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors; and replies to question 7 of Questionnaire Q2 – CPO/CPKO Competitors.

¹⁰ Replies to question 11 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors; and Replies to question 5 of Questionnaire Q3 – RPO/RPKO Customers and Downstream Competitors.

can be used for the same purposes as the respective non-CS product as they are chemically the same.¹¹ A customer explained that *'when a business supplies solely sustainable or segregated products, this is a competitive advantage and highly desirable from a customer perspective as their brand image is pure and the image of their sustainable supply does not get affected by their non-sustainable supply'*. The majority of the suppliers indicated that CS and non-CS products are comparable in terms of customers, while the majority of customers indicated the opposite. One supplier explained that *'in principle the markets and therefore the customers are the same, but higher premiums for the RPKO results in a delayed adoption for the CS'*. Another supplier explained that *'it depends only on customers' own policy whether or not to purchase CS or non-CS product'*. In this respect a customer considered that *'it could be that customers are slightly different as there is more demand for CS products in Western Europe than in Eastern Europe'* and another one that *'customers are likely to have a strategy to either source sustainable palm products or not. Therefore it is unlikely they will mix'*.¹²

- (19) The vast majority of respondents to the market investigation were of the view that the book and claim certification system is not equivalent to the other certification systems, neither at crude or refined level, since *'book and claim is an administrative system and has no physical link to the commodity, while SG, MB and IP are applicable to the physical oil flow'*.¹³
- (20) The Commission has assessed the proposed transaction separately for bulk CPO, CPKO, RPO and RPKO, as well as for their potential CS sub-segments. Nonetheless, it is not necessary to conclude on the exact product market definitions as the proposed transaction does not give rise to competition concerns even under the narrowest feasible market definitions.

3.3. Relevant geographic markets

- (21) The Commission has in earlier decisions considered that the relevant geographic markets for crude seed oils and refined seed oils are at least Community wide.¹⁴ The question has nonetheless been left open for example in the more recent *Cargill / KoroFrance*.¹⁵
- (22) The Notifying Party puts forward that the geographic market for CPO, CPKO, RPO and RPKO (including all potential CS sub-segments) is at least EU wide and potentially wider.

¹¹ See, e.g. replies to question 8 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors.

¹² Replies to question 12 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors; and Replies to question 6 of Questionnaire Q3 – RPO/RPKO Customers and Downstream Competitors.

¹³ Replies to questions 9 and 13 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors; replies to question 9 of Questionnaire Q2 – CPO/CPKO Competitors; and replies to question 7 of Questionnaire Q3 – RPO/RPKO Customers and Downstream Competitors.

¹⁴ See e.g. M.3044 – *ADM / PURA*, paragraph 15; M.2693 – *ADM / ACTI*, paragraph 16; and M.1126 – *Cargill / Vandermoortele*, paragraph 13.

¹⁵ M.6383 – *Cargill / KoroFrance*, paragraphs 26–7.

- (23) The results of the market investigation support the view that the geographic market for crude oils is at least EU-wide. The majority of the respondents to the Commission's market investigation even indicated that their purchasing pattern is world-wide.¹⁶
- (24) Regarding refined oils, the majority of the respondents to the Commission's market investigation indicated that in general the supplying and sourcing patterns are European-wide. However, a number of UK customers indicated that their purchasing patterns may be national and that continental suppliers are not competitive in the UK. This could be an indication of a potential geographic market encompassing the UK as opposed to continental Europe.¹⁷ A customer explained that *'delivery cost is higher into the UK'* as opposed to continental Europe and another that *'the majority of our factories are located in the UK and therefore a local source of palm oil is needed to ensure we have flexible supply for our factories and to ensure we do not have shelf life issues. Currently the mainland European suppliers do not often supply into the UK as they are not price competitive'*¹⁸. A supplier also noted that *"NBPOL do not supply end users in the rest of Europe"*¹⁹.
- (25) The Commission further notes that the Parties' activities seem to have a clear geographic differentiation: NBPOL that has its EU refinery in the UK is also mainly active there and has only limited activities in continental Europe even if it makes some sales there. In contrast, Sime Darby, which has its EU refinery in the Netherlands, has sales to a number of different continental EU countries but only very limited market presence in the UK.
- (26) In light of the above, the Commission considers that the markets are likely EU-wide with the possible exception of refined oils in respect of which it cannot be excluded that at least the UK could constitute a separate relevant market. Nonetheless, it is not necessary to conclude on the exact geographic market definition as the proposed transaction does not give rise to competition concerns even under the narrowest feasible market definitions.

4. COMPETITIVE ASSESSMENT

4.1 Horizontally affected markets

- (27) The proposed transaction gives rise to one horizontally affected market at worldwide level with respect to SG CS CPKO (but not at EU-level).²⁰ At the

¹⁶ Replies to question 14 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors.

¹⁷ Replies to question 16 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors; and replies to question 14 of Questionnaire Q3 – RPO/RPKO Customers and Downstream Competitors.

¹⁸ Replies to question 16 of Questionnaire Q3 – RPO/RPKO Customers and Downstream Competitors.

¹⁹ Replies to question 19 of Questionnaire Q1 – CPO/CPKO Customers – RPO/RPKO Competitors.

²⁰ The Commission considers the market to be horizontally affected when two or more of the parties to the concentration are engaged in business activities in the same relevant market and where the concentration will lead to a combined market share of 20% or more. See, e.g. Annex 1 to the Commission Regulation (EC) No 802/2004 of 21 April 2004 implementing Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings ('Implementing Regulation'), as amended.

potential national level, the proposed transaction would give rise to affected markets in a number of refined oil products, in the UK and France. The market shares of the Parties in the horizontally affected potential markets are given in the table below.

Table 1 - Parties' market shares in horizontally affected markets (bulk palm oil and palm kernel oil)

| PALM OIL AND DERIVED PRODUCTS | | | | |
|--------------------------------------|------------------------------------|------------------------------------|------------------------------|----------------------------------|
| Potential product market | Potential geographic market | Sime Darby market share (%) | NBOL market share (%) | Combined market share (%) |
| SG CS CPKO | Worldwide | [0–5] | [20–30] | [20–30] |
| RPO | United Kingdom | [0–5] | [30–40] | [30–40] |
| CS RPO | United Kingdom | [0–5] | [40–50] | [40–50] |
| SG CS RPO | United Kingdom | [0–5] | [50–60] | [50–60] |
| RPKO | United Kingdom | [5–10] | [10–20] | [20–30] |
| CS RPKO | France | [20–30] | [20–30] | [40–50] |

Source The Notifying Party

- (28) The Commission notes that while the combined market share on some of the affected potential UK markets is significant, between 30–60%, the market share increments brought about by the transaction on those potential markets are very small, at less than one percentage point in each case. Such small market share increments seem to indicate in the present case that the proposed transaction would not result in any significant changes in the market structure or competitive conditions in the affected potential markets.
- (29) Should Member States other than the UK be assessed on a national basis, the CS RPKO market in France would also be affected on the basis of 2013 market shares (Sime Darby: [20–30]%, NBPOL [20–30]%). Nonetheless, the Parties only had [...] customers in total there in 2013 (NBPOL having [...] and Sime Darby [...]) and the market would not have been affected on the basis of 2012 figures (the Parties made [...] sales), 2011 figures (the Parties only made limited sales) or on the basis of the Parties' average combined market share during 2011–2013. According to the Notifying Party, the Parties have also never been asked by customers to tender against each other in France. In addition, this potential market is notably small compared to, e.g. the UK CS RPKO market that, according to the Notifying Party's estimates, was four times as big as the French market in volume²¹. Therefore, the Commission considers that the market shares are likely volatile and that they are in the present case not a suitable indicator of the Parties' actual market power. Moreover, it is unlikely that the French market constitutes a separate market, also in light of the fact that both of the Parties served their French customers from refineries not located in France but in the UK and the Netherlands. A number of credible competitors, such as Cargill, Olenex, IOI and Lipidos are also already serving French customers. Therefore, customers would likely be able to source from alternative suppliers should the merged entity attempt to raise prices.
- (30) Concerning palm oil and palm kernel oil refining capacity in the EU, the Notifying Party submits that the Parties have a combined refining capacity in the EU of [...] tonnes (Sime Darby: [...] tonnes in the Netherlands and NBPOL [...] tonnes in the UK), which is approximately [5–10]% of the total estimated EU installed refining

²¹ The Parties estimate the French merchant market to have been [...] tonnes and the UK market to have been [...] tonnes in volume in 2013.

capacity. According to the Notifying Party, Cargill ([20–30]%) has the highest capacity followed by Olenex ([10–20]%), IOI ([10–20]%), Lipidos ([10–20]%) and AAK ([10–20]%). The Commission considers that the Parties' limited capacity shares do not indicate concerns related to refining capacities.

- (31) The replies to the market investigation support the view that the proposed transaction does not give rise to any competition concerns related to horizontal effects. While some respondents raised concerns, for instance with respect to the potential markets in the UK, further investigation showed that the concerns were unrelated to the proposed transaction and appeared to be motivated by other reasons, such as either of the Parties' pre-existing market position that would not be significantly strengthened because of the transaction. Even those customers that voiced some concerns also confirmed that they either would continue to have an adequate number of suppliers post-transaction, or that the proposed transaction would not change the market or affect them in any significant way.²²
- (32) In light of the above, the Commission concludes that the proposed transaction does not give rise to competition concerns.

4.2 Vertically affected markets

- (33) Concerning the vertical link between the crude oils and the refined oils, the proposed transaction would only give rise to affected markets²³ if the relevant geographic markets were considered national. Even in that event, the only potentially affected vertical link would be between CS CPO and CS RPO in Germany where NBPOL achieves a market share of [30–40]% on the potential upstream market (Sime Darby is not active on that potential market). On the potential downstream market, only Sime Darby is active with a market share of [0–5]%.²⁴
- (34) The Commission notes that the increased vertical integration brought about by the proposed transaction in Germany is limited. Customers in Germany would continue to have a number of credible alternative suppliers, such as Olenex and Cargill with market shares comparable to those of the merged entity. Any input foreclosure concerns are therefore unlikely. The same applies to customer foreclosure considering the merged entity's very limited market share in the potential downstream market and the fact that Sime Darby, which is the only party active on the downstream market, makes no purchases of CS CPO in Germany at present. Moreover, for the reasons described in the geographic market definition, it is

²² Replies to questions 23 and 34 of Questionnaire Q1 – CPO/CPKO Customers and RPO/RPKO Competitors; replies to questions 18–20 of Questionnaire 2 – CPO/CPKO Competitors; and replies to questions 26 and 33 of Questionnaire Q3 – RPO/RPKO Customers and Downstream Competitors. See also confirmed minutes of a call with a RPO/RPKO customer on 7 January 2015 and another on 8 January 2015.

²³ The Commission considers the market to be vertically affected when one or more of the parties to the concentration are engaged in business activities in a relevant market, which is upstream or downstream of a relevant market in which any other party to the concentration is engaged, and any of their individual or combined market shares at either level is 30% or more, regardless of whether there is or is not any existing supplier/customer relationship between the parties to the concentration. See, e.g. Annex 1 to the Implementing Regulation.

²⁴ The market shares are the Notifying Party's estimates for 2013.

unlikely that the CS CPO market is national given that there is no production of CS CPO in the EU.

- (35) The Commission notes that the Parties are in addition active in a number of bulk (frying oils; margarine hardstock; shortening hardstock; various speciality fats; specialist oils for food colouring; and oils for oleochemicals) and packaged products (frying oils, shortening and industrial margarine) that are derived in whole or partially from RPO and/or RPKO through further processing. According to the Notifying Party, the Parties' combined market shares for all of those products are limited and in any event below 30% even if looked at national level.
- (36) The vertical links between those downstream products and the Parties' activities in RPO and RPKO would nonetheless be affected due to the Parties' market positions on the potential upstream markets but only if the markets were considered national. Markets would be affected particularly in the UK but also in France.²⁵
- (37) The proposed transaction will not result in significant changes to the market structure or competitive conditions in the UK. The Parties' market positions in the UK are mainly due to NBPOL's activities there, (NBPOL has a refinery in the UK as opposed to Sime Darby that does not). The highest combined market share the Parties achieve on a relevant upstream market is [50–60]% in SG CS RPO in 2013; however, that was nearly only due to NBPOL's sales and the market share increment brought about by the proposed transaction is approximately [0–5 percentage point/s] as described in Table 1 above. As to the potential downstream markets, NBPOL made most of the Parties' total sales of all downstream products in volume in 2013. Concerning the packaged products separately, NBPOL achieved a maximum of [10–20]% market share with respect to any of the packaged downstream products in 2013 while Sime Darby had only negligible activities with a maximum market share of [0–5]% for any individual packaged product. As to bulk products, Sime Darby achieved [0–5]% market share in them in total and in any event below [10–20]% for any individual product in 2013²⁶ while NBPOL was not at all active in those products. Therefore, the proposed transaction does not appear to significantly increase the Parties' market position on the upstream market or result in a significant increase in vertical integration. Moreover, the Parties make no purchases of the upstream products from their competitors in the UK even at present. Foreclosure concerns are therefore unlikely.
- (38) In France, the Parties achieved a combined market share of [40–50]% in CS RPKO in 2013 with a market share increment of [20–30] percentage points, and [50–60]% with no market share increment (only NBPOL is active) in SG CS RPKO in 2013. However, as described in paragraph (29), the market shares are likely not indicative of the Parties' actual market power in those potential markets. Based on 2012 and 2011 figures, as well as the average figure during 2011–2013, the market shares would also have been significantly lower and the vertical link would not have given rise to affected markets. Moreover, NBPOL only has [...] in France for CS RPKO and SG CS RPKO, and losing [...] would bring the merged entity's market share in

²⁵ NBPOL also makes supplies of bulk RPO to Spain from its Papua New Guinea refinery with a potential market share above [30–40]%. However, the RPO is not usable for edible downstream products due to long transport distance and time and is re-refined locally by [...].

²⁶ See the Notifying Party's response of 11 December 2014 to the Commission's request for information.

CS RPKO down to [20–30]% and result in the merged entity losing all of its sales of SG CS RPKO. As to the downstream markets, only Sime Darby is active and it achieved a market share of [10–20]% in the bulk products in total and in any event below 30% for any individual product in 2013.²⁷ The Commission therefore considers that it is unlikely that the proposed transaction would significantly change the market structure or competitive conditions in France with respect to the potential vertical links described.

- (39) The replies to the market investigation support the view that the proposed transaction does not give rise to any competition concerns related to vertically affected markets. While some respondents raised concerns, for instance with respect to the potential markets in the UK, further investigation showed that the concerns were unrelated to the proposed transaction. Even those customers that voiced some concerns also confirmed that the proposed transaction would not affect them or the market significantly and that, for instance the proposed transaction would not significantly diminish their actual or potential supplier base.²⁸
- (40) In light of the above, the Commission considers that the proposed transaction does not give rise to competition concerns.

5. CONCLUSION

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

*For the Commission
(Signed)
Vytenis Andriukaitis
Member of the Commission*

²⁷ See the Notifying Party's response of 11 December 2014 to the Commission's request for information.

²⁸ Replies to questions 23 and 34 of Questionnaire Q1 – CPO/CPKO Customers and RPO/RPKO Competitors; replies to questions 18–20 of Questionnaire 2 – CPO/CPKO Competitors; and replies to questions 26 and 33 of Questionnaire Q3 – RPO/RPKO Customers and Downstream Competitors. See also confirmed minutes of a call with a RPO/RPKO customer on 7 January 2015 and another on 8 January 2015.