

***Case No IV/M.879 -
VENDEX (VEDIOR) /
BIS***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 20/02/1997

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.2.1997

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying parties :

Dear Sirs,

Subject: Case No IV/M. 879 - VENDEX (VEDIOR) / BIS

Notification of 20.01.1997 pursuant to Article 4 of Council Regulation No 4064/89

1. On 20 January Vendex International N.V. (Vendex) and BIS S.A (BIS) have notified an operation by which Vendex will acquire sole control of BIS.
2. After examination of the notification the Commission has concluded that the notified operation falls within the scope of application of Council Regulation N° 4064/89 and does not raise serious doubts as to its compatibility with the common market or with the functioning of the EEA Agreement.

I. THE PARTIES

3. Vendex is a Dutch company listed on the Amsterdam stock exchange. Vendex is primarily involved in the retailing sector through food chains, department stores, non food specialty stores. Vendex is also active in the provision of temporary employment services to companies throughout Europe.
4. BIS is a French company listed on the Paris stock exchange. BIS is primarily engaged in temporary employment services in France and in Switzerland.

II. THE OPERATION

5. The agreement notified provides that Vendex will acquire sole control over Bis by means of purchase of 59.04 % of the shares of BIS. The shares will be acquired partly directly by Vendex and partly through Abilis France S.A., a wholly owned subsidiary of Vendex.
6. The notified agreement obliges Vendex to launch a French public exchange offer for the remaining 41.96 % of the shares of BIS presently traded at the Paris stock exchange.

III. CONCENTRATION

7. The 59,04% of the shares of BIS to be acquired by Vendex at completion of the transaction are currently held by members of the Négro family. All the shares in BIS have equal voting rights, therefore by acquiring 59,04% of the share capital Vendex will acquire sole control over BIS.
8. The acquisition of sole control of BIS by Vendex constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

IV. COMMUNITY DIMENSION

9. The worldwide turnover of VENDEX and BIS in year 1995 was 5,154 million ECU and 1,396 million ECU respectively. The combined aggregate worldwide turnover of the undertakings concerned exceeds therefore 5,000 million ECU. The aggregate Community wide turnover for each party being ECU 5,154 million for VENDEX and ECU 1,386 million for BIS, exceeds ECU 250 million. The parties together do not achieve more than two thirds of their Community-wide turnover within one and the same Member State. The operation therefore has a Community dimension.

IV. COMPATIBILITY WITH THE COMMON MARKET AND THE EEA AGREEMENT

A. Relevant product market

10. The relevant product market is the provision of temporary employment services¹. Temporary employment services firms operate in supplying workers to undertakings that use such firms to manage part of their human resources function by temporary staff.
11. The temporary employment market is rapidly expanding worldwide. The need for modern undertakings to be flexible has raised interest in this particular kind of employment.

B. Relevant geographic market

¹ See Case No. IV/M.765 ADIA - ECCO, Decision of 24 June 1996

12. Although smaller firms on this market tend to operate on a local or regional basis, basically all larger firms operate throughout the national market.
In spite of the fact that, in general, there is a strong tendency towards contracts and consolidation of temporary employment firms at an international level, the relevant geographic market is however not wider than national. This geographic definition is suggested by several factors such as language differences, personal preferences regarding relocation and differing legal and regulatory regimes between Member States².

C. Assessment

12. On the basis of the above definitions, the only affected market is the provision of temporary employment services in France.
13. According to information provided by the parties, the market shares of VENDEX and BIS, on this market, are []³ % and []⁴ % respectively. The aggregate market share will be []⁵ %. Subsequent to this acquisition the new entity will become the third largest supplier of temporary employment services in France, after the two worldwide leaders Manpower (US) and Adecco (Swi/Fr) (having market shares between 20 and 30 %)⁶.
14. Given the combined market share of the parties to the operation and the presence of strong competitors like Manpower and Adecco in France, besides a number of smaller competitors, it is not expected that the proposed operation will lead to the creation or strengthening of a dominant position on the common market.

V. CONCLUSION

15. 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,

² See Case No. IV/M.765 ADIA - ECCO, Decision of 24 June 1996

³ Deleted business secret, between 10 and 20 %

⁴ Deleted business secret, between 0 and 5%

⁵ Deleted business secret, between 15 and 25%

⁶ The exact market shares are to be considered business secrets