

*Case No IV/M.092 -
RVI / VBC / Heuliez*

Only the English text is available and authentic.

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

Article 6(1)(a) NON-OPPOSITION
Date: 3.06.1991

*Also available in the CELEX database
Document No 391M0092*

VERSION FOR THE PUBLIC

MERGER PROCEDURE -
ARTICLE 6(1)b DECISION

Registered with advice of delivery

To the notifying parties

Dear Sirs,

Subject: Case N° IV/M092 - RVI/VBC/Heuliez
Notification of 29.04.1991 pursuant to Article 4 of Council
Regulation N° 4064/89.

1. On 24 April 1991, Renault Véhicules Industriels (RVI), Volvo Bus Corporation (VBC) and Holding Henri Heuliez (HHH) entered into an agreement by which RVI and VBC acquire joint control of Heuliez Bus, a subsidiary of HHH.

RVI is a subsidiary of Renault S.A., VBC is a subsidiary of AB Volvo, both active in the trucks, buses and coaches business, whereas Heuliez Bus is only active in the bus and coach business.

2. After full examination of the notification, the Commission has come to the conclusion that the notified operation falls within the scope of Council Regulation N° 4064/89 and does not raise serious doubts as to its compatibility with the Common Market.

I. COMMUNITY DIMENSION

3. The combined aggregate worldwide turnover of the groups to which RVI and VBC belong, as well as that of Heuliez Bus, was about 37.544 million Ecus in 1989. RVI and VBC achieved an aggregate Community-wide turnover of more than 250 million Ecus in 1989, of which not more than two-thirds was achieved in one and the same Member State. Thus the concentration has a Community dimension.

II. CONCENTRATION

4. Heuliez Bus is jointly controlled by HHH and by "La Charolaise", a shell company in which Renault S.A. has a stake of 9% and various banks which do not have any industrial interest, have a

stake of 91%. Through the stake of "La Charolaise" in Heuliez Bus and through an exclusive procurement agreement which has linked Heuliez Bus to Renault for the past ten years, the Renault group has already in the current situation a decisive influence in the form of joint control of HHH and Renault over Heuliez Bus. By completion of this operation, joint control of Heuliez Bus will be shared by RVI and VBC and the stake in Heuliez Bus through La Charolaise will increase from 49% to 75%. Thus, the operation is to be considered as a concentration within the meaning of Article 3(1)(b) of the Regulation.

III. RELEVANT AND AFFECTED MARKETS

5. Two markets have to be distinguished, one for city buses, which is the public transport vehicle market where the purchaser is the public sector (municipalities), and one for coaches.

Heuliez Bus is a bodywork builder which assembles exclusively for RVI city buses and coaches; almost all of its activities, more than 95% of its turnover being realised in France.

Heuliez Bus has been linked with Renault for ten years by an exclusive procurement agreement, and as a consequence the market shares of Heuliez had been taken into consideration in the previous notification (IV/M004 - Renault/Volvo).

IV. ASSESSMENT OF THE OPERATION

6. In the light of the joint control already exercised by Renault over Heuliez Bus and the related industrial relationship between them, the market shares of Heuliez Bus had been included with those of Renault in the examination of the case n° IV/M004.

This former case already included an assessment of Renault and Volvo's position in the market concerned, which has been declared compatible with the Common Market (decision IV/M004 of 07/11/1990).

V. ANCILLARY RESTRAINTS

7. In addition to the main operation, the parties have subscribed the following agreements, a non-competition clause accepted by the HHH group in favour of Heuliez Bus with regard to the French market for a five year period; a clause of exclusivity of manufacture entered into by VBC in favour of Heuliez Bus. These clauses can be considered as a restriction directly related and necessary to the implementation of the concentration.
8. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the Common Market. This decision is adopted in application of Article 6(1)b of the Council Regulation N° 4064/89.

For the Commission,