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M.11290 - INEOS / SINOPEC / ABS JV

SECTION 4

Description of the concentration

INEOS AG (“**INEOS**”) and China Petroleum and Chemical Corporation (“**Sinopec**”) propose to establish a greenfield joint venture by way of incorporation of a joint venture company, INEOS Styrolution Sinopec Advanced Materials (Tianjin) Ltd (the “**Joint Venture**”).

INEOS is a global, privately owned conglomerate that produces a range of chemicals including petrochemicals, specialty chemicals and oil products. For more information on INEOS, see <https://www.ineos.com/about/>. Sinopec is a petroleum and petrochemical group headquartered in Beijing. For more information on Sinopec, see <http://www.sinopecgroup.com/group/en/gwym/about.shtml>.

The Concentration relates to the acquisition of joint control, for the purposes of Article 3(1)(b) of the EU Merger Regulation (“**EUMR**”), by INEOS and Sinopec (together, the “**Parties**”) over the Joint Venture, a full-function joint venture within the meaning of Article 3(4) of the EUMR (the “**Concentration**”). The Joint Venture will be set up as a greenfield investment in the development, construction, operation and ownership of an acrylonitrile butadiene styrene (“**ABS**”) plant primarily engaged in the production and after-sale service of ABS utilising INEOS’ ABS technology² in China. The Joint Venture itself does not (and will not) have any activities in the EEA and will have no turnover in the EEA.

ABS is a plastic, specifically a thermoplastic polymer. It has high strength and good toughness and can be relatively easily processed and moulded. It is widely used in the manufacture of electrical appliances, IT equipment, car parts and in construction applications. The Commission has previously considered ABS to constitute a distinct product market with a geographic scope that is at least EEA-wide (Case M.6093 *BASF / INEOS / Styrene JV* at 50 and 55).

The Joint Venture has not been incorporated prior to the Concentration. Pursuant to the shareholders’ agreement signed by INEOS and Sinopec on 30 August 2023 (the “**SHA**”) (attached as Annex 3), upon completion, Sinopec and INEOS will jointly file for the incorporation of the Joint Venture. They will each subscribe for and hold 50% of the capital of the Joint Venture with INEOS contribution made in cash and Sinopec’s contribution made in kind. Sinopec and INEOS will jointly control the Joint Venture.

As detailed further in Section 7, the Joint Venture involves the greenfield development of new production facilities in China, and it will have no activities or turnover in the EEA, such that the Concentration falls under 5(a) of the Simplified Procedure Notice.