



EUROPEAN COMMISSION
COMPETITION DG

Directorate R
Unit R2 – COMP-MEETINGS

OPINION

of the ADVISORY COMMITTEE on MERGERS

given at its meeting of 25 October 2012

regarding a draft decision relating to

Case COMP/M.6471 OUTOKUMPU / INOXUM

Rapporteur : GREECE

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1. The Advisory Committee agrees with the Commission that the notified operation constitutes a **concentration** within the meaning of the Council Regulation No 139/2004 (the "Merger Regulation").
 2. The Advisory Committee agrees with the Commission that the notified operation has an **EU dimension** within the meaning of the Merger Regulation.
 3. The Advisory Committee agrees with the Commission's definitions of the **relevant product markets** as stated in the draft decision.

In particular, concerning the product market definition, The Advisory Committee agrees that the impact of the notified transaction must be assessed on the following markets:

- a) With regard to the production and supply of stainless steel products:
 - i. Production of slabs;
 - ii. Hot rolled flat products: while separate markets for Hot Black Band and Hot White Band can be considered, it is not necessary to conclude on the exact product market definition in this case;
 - iii. Cold rolled flat products (excluding precision strip), without distinguishing between commodities vs. specialties, or by grade / family, surface finish or end application;
 - iv. Precision strip;
- b) Ferrochrome, whereas it is not necessary to conclude on the exact product market definition in this case;
- c) With regard to the distribution of stainless steel flat products: Stockists versus stainless steel service centres, whereas it is not necessary to conclude on the exact product market definition in this case.

4. The Advisory Committee agrees with the Commission's definitions of the **relevant geographic markets** as stated in the draft decision.

In particular, concerning the geographic market definition, The Advisory Committee agrees that the impact of the notified transaction must be assessed on the following markets:

- a) For the production and supply of stainless steel products: EEA-wide;
 - b) Ferrochrome: EEA-wide, whereas it is not necessary to conclude on the exact geographic market definition in this case;
 - c) For distribution of stainless steel flat products: national or at most regional (i.e. wider than national), whereas it is not necessary to conclude on the exact geographic market definition in this case.
5. The Advisory Committee agrees with the Commission that the proposed concentration does **not significantly impede effective competition** in the internal market or in a substantial part of it in the following markets.
- a) Production of slabs;
 - b) Production of hot rolled flat products, Hot Black Band and Hot White Band;
 - c) Precision strip;
 - d) Ferrochrome;
 - e) Distribution of stainless steel flat products.
6. The Advisory Committee agrees with the Commission that the proposed concentration **significantly impedes effective competition** in the internal market or in a substantial part of it in the following markets.
- a) Production of Cold Rolled flat products in the EEA market.
7. The Advisory Committee agrees with the Commission that **the final commitments** offered by the Notifying Party on 19 October 2012 (the "final commitments") fully **address the competition concerns** identified by the Commission in the EEA market for the production of Cold Rolled flat products.
8. The Advisory Committee agrees with the Commission's conclusion that, **subject to the full compliance with the final commitments, the notified transaction is not likely to significantly impede effective competition** in the internal market or in a substantial part of it.
9. The Advisory Committee agrees with the Commission that the notified transaction must therefore be declared **compatible** with the internal market and the functioning of the EEA Agreement in accordance with Articles 2(2) and 8(2) of the Merger Regulation and Article 57 of the EEA Agreement.
