## 23 August 2010: Merger operation in the building and civil engineering sector

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## The *Autorité de la concurrence* authorises under certain conditions the takeover

of the Tarmac Routes et Carrières company by the Eurovia group



On 10 June 2010, the European Commission referred to the *Autorité de la concurrence* for an assessment of the acquisition of the Tarmac Routes et Carrières company by the Eurovia group. The *Autorité* carried out a careful examination of this operation relating to the aggregate production sector as well as the related activities of the manufacturing of bituminous coated materials and roadwork, and that would involve Eurovia's acquisition of 44 aggregate quarries owned by the Tarmac company in the Limousin, Auvergne, Rhône-Alpes and Centre regions.

In view of the other quarries already owned by Eurovia, the operation would provide it with a significant market share in the supply of aggregates in many local areas of the Dijon-Macon, Sarlat-Tulle and Châteauroux-Issoudun regions.

The disappearance of Tarmac from these zones would also deprive Eurovia's competitors, active in the markets for the production of bituminous coated materials and roadwork, of the possibility of obtaining aggregates from an independent supplier.

In the Limousin region, where Eurovia had no quarries but is acquiring several as part of the operation, the question of the independence of the procurement

sources for Eurovia's competitors in the building and civil engineering sector also arises in the same terms.

On 20 August 2010, the *Autorité* authorised the operation but required the new entity to sell six quarries in order to maintain satisfactory competition conditions in these regions.

## **Parties commitments**

Eurovia has committed itself to sell six aggregate quarries in Saint-Julien-Le-Petit (87), Pouligny (36), Montagny-les Buxy (71), La Salle (71), Voutezac (19) and Royères (87).

The disposals will serve to ensure the presence of an aggregate supplier independent of the Eurovia group, within the areas in question.

This is the second decision<sup>1</sup> that the *Autorité de la concurrence* makes since its creation in March 2009, relative to a merger operation referred to it in application of article 9 of the Community regulation on merger control <sup>2</sup>.

<sup>1</sup>The first decision dealt with the joint takeover of the companies Keolis and Effia by the companies SNCF-Participations and Caisse de Dépôt et Placement du Québec (decision <u>10-DCC-02</u> / <u>press release of 13 January 2010</u>). Two other operations, referred under the same conditions, are being examined (Eurochem-Univar and Veolia Transports-Transdev).

<sup>2</sup>The Commission can refer an operation to a Member State when the said operation threatens to affect competition in this State's territory, and that the latter is better placed to examine this matter.

> Please consult the full text of decision 10-DCC-98 of 20 August 2010 relative to the exclusive takeover of the assets of the Tarmas group by the Eurovia company