The Autorité de la concurrence gives clearance to International Paper Company to acquire the two Normandy plants of DS Smith Packaging Normandie

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In part of commitments that are conditions for the European Commission's approval of the acquisition of Europac by DS Smith, the Autorité de la concurrence gives clearance to International Paper Company to acquire the two Normandy plants of DS Smith Packaging Normandie.

On 14 November 2018, the European Commission approved the acquisition of Europac by DS Smith, both manufacturers of paper and packaging products, subject to the divestment of a number of production plants in France and Portugal[1] in order to preserve competition, particularly in Western France.

It is in this context that the proposed acquisition of the plants in France (DS Smith Packaging Normandie and its subsidiary DS Smith Packaging Normandie Ondulé) by International Paper Company (IP), an American company, was submitted to the Autorité de la concurrence as part of national merger control.

Normandy plants concerned

International Paper Company is a global manufacturer of cardboard packaging. It is particularly active in the production of corrugated board, corrugated board packaging, pulp, consumer packaging (cardboard packaging) and printing paper.

These include, for example, cardboard boxes for transporting fruit, fish and seafood.

DS Smith Packaging Normandie and its subsidiary DS Smith Packaging Normandie Ondulé respectively operate a packaging manufacturing plant in Torigni-sur-Vire (50160), near Saint-Lô, which manufactures corrugated board and corrugated board packaging, and a cardboard sheet plant in Cabourg (14390), which manufactures corrugated board sheets and packaging. They were owned by the British company DS Smith prior to this transaction.

Markets concerned by the transaction

The parties are active in the market for the supply of corrugated board sheets and corrugated board packaging and International Paper Company is also active in the collection and supply of recycled paper, as well as in the manufacture and supply of paper sheets used in the manufacture of corrugated board sheets.

Following its examination, the Autorité de la concurrence concluded that the transaction was not likely to raise any competition concerns, particularly in France, as the merged entity's market shares remain limited and it will face significant competitors, such as Smurfit Kappa, Gondardennes, Prowell and Cartonnerie de L'Ondaine (supply of corrugated board sheets) as well as DS Smith, Saica, VPK and Rossmann (supply of corrugated board packaging). Maintaining this competitive intensity will ensure their customer companies have alternatives for their cardboard supply.

The Autorité therefore cleared the transaction without conditions.

On 24 May 2019, the European Commission approved International Paper Company as the purchaser of the two plants as part of monitoring compliance with the commitments made by DS Smith before it.

[1] http://europa.eu/rapid/press-release_IP-18-6415_en.htm

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