19 January 2017: Industrial vehicle hire sector

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The *Autorité de la concurrence* - which had recently initiated an in-depth examination
relating to the Petit Forestier group's acquisition of the Fraikin group - notes Petit Forestier's decision to abort the operation.

The acquisition would have given rise to a group with a quasi- monopoly

On 18 November 2016, the Petit Forestier group notified the *Autorité de la concurrence* of its proposed acquisition of the Fraikin group, its main competitor in the refrigerated industrial vehicle hire sector in France.

This operation entailed the number 1 (Petit Forestier) on the refrigerated industrial vehicle hire market in France acquiring the sector number 2. The ensuing change from four to three national players in this market would have resulted in a quasi-monopoly by the new entity, with a 90% share of the refrigerated industrial vehicle long-term leasing market.

Potential risks of price increases for business customers

The operation would have created significant overlap between the respective activities of the parties at local level in the refrigerated industrial vehicle hire and long-term leasing markets. At local level, the resulting entity would have had market share exceeding 50% in more than a hundred geographic areas.
In the light of multiple exchanges with market participants (suppliers, competitors and customers) and after conducting quantitative tests, the *Autorité* identified a non-negligible risk of price increases for customers, a large

proportion of which are independent craftsmen.

Considering the commitments submitted by Petit Forestier to be inadequate, the *Autorité* launched an in-depth examination

The *Autorité* studied the case in great detail, including extensive correspondence with the companies concerned, and in particular Petit Forestier. In a spirit of open, constructive dialogue, the *Autorité* sought to work with the parties to identify potential solutions (disposal of local branches, vehicles and contracts) that would have enabled the operation to be concluded while also addressing concerns in terms of fair competition.

The structural commitments proposed by Petit Forestier in late December were market-tested and found to be far from sufficient to foster the emergence of a participant able to exert competitive pressure on the resulting entity.

The *Autorité* had therefore decided to proceed to phase 2.
The *Autorité* takes notes today of Petit Forestier's decision to abort the proposed operation.

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