

The Autorité de la concurrence clears the acquisition of Meccoli by Eiffage Infrastructures

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On 7 December 2018, Eiffage Infrastructures notified the *Autorité de la concurrence* of its intention to take over Meccoli. After reviewing the impact of the transaction on the markets for public works on rail infrastructure in France, the *Autorité de la concurrence* cleared the transaction unconditionally.

Parties to the transaction

Eiffage Infrastructure is a subsidiary of the Eiffage group, active in public works carried out in the road, metal and civil engineering sectors. Eiffage entered the rail works sector in 2015, via the acquisition of Pichenot.

Meccoli is also active in the public rail operations, especially in the laying, renewal and maintenance of tracks.

A sector which requires high investments

The *Autorité de la concurrence* analyzed the public rail operation markets, especially the markets for laying, renewing and maintaining of tracks, which requires the implementation of major construction sites, among which the development of "suites rapides" - mechanized construction sites which entail high investments for the companies which carry out these works.

Consultations (market tests) were carried out among the main market stakeholders (competitors of the parties and SNCF Réseau, which manages the railway network). The players' contributions helped in assessing the competitive situation in these markets since 2015, which are characterized by the launch of numerous calls for tenders.

The envisaged transaction is not liable to harm competition

The *Autorité de la concurrence* noted that Eiffage Infrastructures and Meccoli were not responding to the same calls for tenders, and when they did, it was very rare that they would place 1st or 2nd in the tenders' rankings. Further, the *Autorité* ruled out any competition risk arising from the disappearance of a competitor in these markets, in which other credible competitors are also active, such as Champenoise, Colas Rail, ETF, and Fourchard & Renard.

In the markets for the displaying of signaling equipment and catenaries on railway tracks, in which the parties to the transaction are simultaneously active, the investigation showed very small cumulative market shares. SNCF Réseau will continue to have credible alternatives in these markets for future procurement procedures.

Therefore, the *Autorité de la concurrence* cleared the transaction without condition.

> The full text of Decision 18-DCC-229 of 28 December 2018 will soon be published on the *Autorité de la concurrence*'s website

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