Steel industry: the Autorité clears the acquisition of Liberty Ascoval and Liberty Rail Hayange by the Saarstahl Group

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On 11 June 2021, the German Saarstahl Group notified the *Autorité de la concurrence* of its plan to acquire the steel companies Liberty Ascoval and Liberty Rail Hayange. The transaction follows a conciliation procedure opened by the commercial court of Paris for these two companies on 18 March 2021. On 29 June 2021, the *Autorité* exceptionally granted a derogation (see box), allowing the Saarstahl Group to proceed with the acquisition, without waiting for the final clearance decision, which has just been issued by the *Autorité*.

Parties to the transaction

The Saarstahl Group is one of the leading European manufacturers of steel products. In particular, it produces semi-finished steel products used in the production of finished products such as rails.

Liberty Ascoval and Liberty Rail Hayange are the two companies operating the Ascoval steelworks in Saint-Saulve (59) and Hayange (57). The Hayange plant primarily manufactures rails in the category of finished long products used, for example, in the rail transport sector. The Ascoval plant specialises in the production of semi-finished carbon steel products used to make finished products, among other things. Ascoval has historically supplied the Hayange site with semi-finished products for the production of rails.

After careful examination, the Autorité considers that the transaction is not likely to affect competition

The *Autorité* has cleared the transaction unconditionally, as it is not likely to harm competition.

The text of the decision will soon be available on the Autorité de la concurrence's website

What is a derogation from the suspensive effect?

If the effective conclusion of a merger is subject to approval from the *Autorité de la concurrence*, in certain exceptional circumstances, duly argued by the parties, the *Autorité* may issue a derogation enabling them to finalise part or all of the transaction without waiting for the approval decision, in order to allow the business activities to continue.

By definition, the granting of such a derogation is exceptional. In particular, a derogation may be granted where takeover bids have been submitted for companies in liquidation or in insolvency proceedings, as in the present case.

However, the granting of a derogation by the *Autorité* is without prejudice to the final decision taken at the end of the investigation.

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