The Autorité de la concurrence clears the acquisition of sole control of J3L by the Hermès group

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The Hermès group notified the *Autorité de la concurrence* of its plan to acquire sole control of the J3L company. After examining the effects of the transaction, the *Autorité* has cleared it without conditions.

Parties to the transaction

The Hermès group manufactures and markets luxury goods, including leather goods, saddlery, clothing and accessories.

The J3L company develops and manufactures high-end metal parts for luxury companies and primarily leather goods manufacturers to be mounted on handbags, briefcases, wallets and shoes. It manufactures Kelly clasps, which are affixed to the eponymous handbags, as well as the buckles and padlocks mounted on these goods.

The proposed transaction is not likely to harm competition

The *Autorité* carried out an analysis of the vertical effects of the transaction between the upstream market for the production and marketing of high-end metal parts in which J3L is active and the downstream market for the production and marketing of luxury goods in which Hermès is active.

The *Autorité* found that the new entity will have a market share of less than 25% in the upstream market and that several metal parts manufacturers will remain credible alternatives to J3L. In the downstream market, the market share

of theHermès group is less than 20%. It competes with several global luxury groups such as LVMH (Louis Vuitton, Christian Dior), Kering (Gucci) and Chanel. The *Autorité* also noted that the integration of J3L's business within Hermès was already close prior to the transaction, since J3L was jointly controlled by Hermès.

Following its analysis, the *Autorité* cleared the transaction without conditions.

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