

Chapter 3

Economic Concentrations

3.1. General Considerations

The Competition Law defines in art.11(2) the situations when an economic concentration takes place:

- merger of two or more previously independent undertakings;
- acquisition of control over one or more undertakings by one or more persons, already holding the control over at least one undertaking, or by one or more undertakings.

Economic concentrations are illegal where having the effect of creating or consolidating a dominant position, lead to or are likely to lead to a significant restriction, prevention or distortion of competition on the Romanian market or on a part of it.

The economic concentrations exceeding the threshold stated under art.15 of the Competition Law no.21/1996 are subject to control and must be notified to the Competition Council. By Order of the President of the Competition Council, the threshold is periodically updated based on the evolution of general price index but only after a period of time, which is no less than 6 months. Currently, only economic concentrations where the aggregate turnover of the undertakings involved exceeds 25 billion lei are subject to control and must be notified to the Competition Council.

In 1999, the balance of economic concentrations operations notified to the Competition Council is the following:

Total notified economic concentrations	173
-cases resolved by decisions	140
- within the initial 30 days analysis period	139
- following an investigation	1
-pending cases	39

The decisions on economic concentrations taken by the Competition Council are as follows:

- decisions on economic concentration notifications: 140
- decisions on failing to notify economic concentration: 2
- decisions of the commissions within the Competition Council to sanction certain undertakings: 4
- decisions of the President of the Competition Council on appeals by undertakings against certain decisions of the Commissions of the Competition Council: 1
- decisions on recalculation of the authorization fees for concentration.

3.2. Cases solved by decisions following an investigation

A. The only case in 1999 where the Competition Council considered it necessary to open the investigation procedure was the notification on the acquisition from the State Ownership Fund (SOF) by RENAULT S.A., a French commercial company, of the majority stock at S.C. AUTOMOBILE DACIA S.A. Pitesti.

The company RENAULT S.A. is a part of the RENAULT Group which has three main activity branches:

- motor cars (approx. 80% of the total activity)
- industrial vehicles
- financial activity

The “Motor cars” branch of the RENAULT Group has production capacities in over 30 locations in France, Europe, Latin America, Africa and Asia. RENAULT is the first trademark in point of turnover in Western Europe on the private and utility motor cars market.

The main line of business of S.C. AUTOMOBILE DACIA S.A. Pitesti is the manufacturing and marketing of motor cars, utility vehicles, vans, pick-up trucks and ambulances, of both domestic market and exporting.

The AUTOMOBILE DACIA Group includes the following commercial societies, branches of S.C. AUTOMOBILE DACIA S.A., wherein the group owns over 90 % of the shares:

- MECANICA DACIA S.A.
- MOTOARE DACIA S.A.
- MATRITE DACIA S.A.
- MASINI UNELTE DACIA S.A.
- UTILAJE DACIA S.A.
- TRANSPORTURI DACIA S.A.
- SERVICIII COMUNE S.A.

S.C. AUTOMOBILE DACIA S.A. is a highly vertically integrated company (85%), with excessive personnel, of young average age, well qualified, and at a low specific cost.

Absent major investments, the old and poorly maintained equipment and facilities and a particularly low productivity lead to DACIA products of poor quality, which cannot meet the standards in force in Romania starting with 2000.

AUTOMOBILE DACIA S.A faced a continuous stock dilution and also confronted with the decrease in the population's purchasing power on the market segment covered by its cars, as well as an increase of the price lag between DACIA and concurrent cars.

Renault S.A. does control, neither directly nor indirectly, any undertaking operating in Romania in the field of car manufacturing or marketing.

S.C. AUTOMOBILE S.A. has direct control over S.C. CNCD (Romanian initials for DACIA NATIONAL MARKETING CENTER) and over S.C. PRESATE DACIA S.A. (forged parts). Also,

together with CNCD, AUTOMOBILE DACIA S.A. has the majority stock in: 13 regional commercial societies for DACIA car servicing; in ASIRAG (Industries' Insurance Reinsurance – Arges) and in IATS (Technical assistance and servicing enterprise).

DACIA car industry has over 300 suppliers of subassemblies and parts as horizontal industry. The horizontal industry makes up for 47% of the value of DACIA cars. Out of 300 suppliers, 50 are main suppliers and the weight of their supplies to AUTOMOBILE DACIA S.A. stands for approximately 95% of their total turnover.

In Romania, DACIA motor car industry includes over 250,000 persons employed directly by AUTOMOBILE DACIA S.A. and by the horizontal industry. To these add another 500,000 family members attended to by the employed personnel.

Judging by the respective market segments held by producers of the car market and the various types of cars manufactured and traded by the undertakings involved in the economic concentration, the relevant product markets for this operation are:

- inferior medium class motor vehicles;
- utility motor vehicles.

The relevant geographic market can be defined:

- for the next 5 years when RENAULT S.A.'s investment project in S.C. AUTOMOBILE DACIA S.A. will be completed, the relevant market is Romania;
- in the long term, after the economic concentration will be consumed, the affected geographic market will be Romania and the Central and East European countries.

On both affected markets, apart from DACIA S.A. and RENAULT, other Romanian producers are present:

- inferior medium class vehicles – DAEWOO, Craiova;
- utility vehicles – ARO Câmpulung.

Also, many well-known companies from Europe, Japan and South Korea are present on the Romanian market.

At present, DACIA motor cars hold the main weight on both relevant markets due to a good correlation between quality and price (low quality-low price) and between the price and the low income of the most citizens, and also to the precarious economical-financial state of most Romanian undertakings.

In the long run, after the economic concentration, a normal structure of the two relevant markets will be achieved, through a significant improvement of the quality of DACIA motor cars, and consequently, through a reasonable price increase, as, starting with 2004, completely new types of DACIA cars will be produced and marketed, which will become the second trade mark of RENAULT Group.

The DACIA – RENAULT project will be accomplished in three stages starting with the year 2000, by renewal and updating of the present range of products of S.C. AUTOMOBILES DACIA S.A.

This project will end in 2004 when the completely new type of DACIA car will be manufactured as the second trade mark of RENAULT, to be sold in the CEE countries.

To support the DACIA-RENAULT project, the Romanian Government granted a state aid, consisting of various facilities, through the Emergency Ordinance No 67/27.05.1999, the Governmental Ordinance No 445/7.06.1999 with the completions and explanations provided for in the Governmental Ordinance No 898/1999.

Based on the information presented by the merging parties, and further to the assessment of the economic concentration by RENAULT's acquisition of control at S.C. AUTOMOBILE DACIA S.A., the Competition Council issued the Decision of authorization No 203/28.09.1999.

B. In 1999, by Decision of the President of the Competition Council, an investigation has been opened, having as subject the failure to notify the economic concentration of S.C. CEREAL WORLD CO S.R.L. Constanta which acquired the majority stock at S.C. NUTRIVITA S.A. from the State Ownership Fund.

During the November 11, 1999 deliberative meeting, the Plenum of the Competition Council decided that S.C. CEREAL WORLD CO S.R.L. Constanta was guilty of infringement of the provisions of art.16 from the Competition Law no. 21/1996, as they did not notify the economic concentration. The competition Council requested the notification within 10 days after receipt of its decision. The Commission of the Competition Council, appointed by Decision of the President, established the fine to be applied to the acquiring company for failure to notify the economic concentration. Eventually, S.C. CEREAL WORLD CO S.R.L. notified Competition Council the acquisition from the S.O.F. of the majority stock at S.C. NUTRIVITA S.A. Lumina, Constanta.

3.3. Cases resolved by decision within the initial analysis period of 30 days

In 1999, the Competition Council analyzed 139 economic concentration and issued decisions within 30 days after the notification became effective.

For the 139 cases were issued:

47 decisions of authorization the mergers;

92 decisions of negative clearance.

Below, there is an outline of the Council's decisions regarding notifications of economic concentrations in 1999, divided by industries.

A. Economic concentrations in the sector of industrial products

Notifications of economic concentrations on the mineral aggregates market

S.C. EXPLOATARI CARIERE DE PIETRIS SI NISIP Romania S.R.L. Bucuresti/S.C. MOLDOCIM S.A. Bicz/S.C. ELASCO IMPORT EXPORT S.R.L. Bucuresti
S.C. EXPLOATARI CARIERE DE PIETRIS SI NISIP Romania S.R.L. Bucuresti/S.C. MOLDOCIM S.A. Bicz/S.C. ELASCO PROD 94 S.R.L. Bucuresti
S.C. EXPLOATARI CARIERE DE PIETRIS SI NISIP Romania S.R.L. Bucuresti/S.C. AGREG S.A. Dragasani
S.C. LAFARGE – ROMCIM S.A. Bucuresti/S.C. SUT S.A. Iasi
S.C. LAFARGE – ROMCIM S.A. Bucuresti/S.C. CONPREF S.A. Ploiesti
S.C. LAFARGE – ROMCIM S.A. Bucuresti/S.C. AGREGATE S.A. Buzau
S.C. EXPLOATARI CARIERE DE PIETRIS SI NISIP Romania S.R.L. Bucuresti/S.C. CARMETAPLAST S.A. Deva
S.C. RADCO TRADING S.R.L. Bucuresti/SOCIETATEA DE CONSTRUCTII HIDROTEHNICE S.A. Constanta

S.C. EXPLOATARI CARIERE DE PIETRIS SI NISIP Romania S.R.L. Bucuresti, controlled by the German group Heidelberger Zement AG, acquired, further to a cession contract between parties, the whole lot of shares at S.C. ELASCO IMPORT EXPORT S.R.L. Bucuresti and S.C. ELASCO PROD 94 S.R.L. Bucuresti. The acquisition was made together with S.C. MOLDOCIM S.A. Bicz, controlled by the same German group.

Also, S.C. EXPLOATARI CARIERE DE PIETRIS SI NISIP Romania S.R.L. Bucuresti acquired from the S.O.F the majority stock at S.C. AGREG S.A. Dragasani and S.C. CARMETAPLAST S.A. Deva.

In 1999, three economic concentrations were notified, mainly the acquisitions made by LAFARGE–ROMCIM S.A. Bucuresti from S.O.F. of S.C. SUT S.A. Iasi, S.C. CONPREF S.A. Ploiesti and S.C. AGREGATE S.A. Buzau.

By a share selling–buying contract with SOF, S.C. RATCO TRADING S.R.L Bucuresti acquired control at SOCIETATEA DE CONSTRUCTII HIDROTEHNICE Constanta.

In all the cases analyzed, the geographical markets were defined as regional markets.

The market for river and quarry mineral aggregates is characterized by a low level of demand compared to the supply, all active production units having excess capacities. The high costs of a new investment, as well as the legal necessity to obtain approvals from the National Agency for Mineral Resources for extraction of mineral aggregates constitute important entry barriers on this market.

The economic concentrations from this market notified to the Competition Council did not create or consolidate the dominant positions of the acquiring companies.

Consequently, all the above-mentioned concentrations have been authorized by the Competition Council through decisions of admission or of non-intervention.

Notifications of economic concentrations on the market for construction materials

S.C. TITAN MAR S.A. Bucuresti/S.C. MARMOSIM S.A. Simeria

S.C. PROFILMET S.A. Negresti-Oas/S.C. HELIOS S.A. Astileu
S.C. ROMERICA INTERNATIONAL S.R.L. Bucuresti/S.C. PREFAB S.A. Calarasi
S.C. EXPLOATARI CARIERE DE PIETRIS SI NISIP Romania S.R.L./S.C. TEMELIA S.A Brasov

The notified economic concentrations took place on various sub-markets for construction materials, i.e. quarry-extracted marble blocks, silicon-aluminium refracting bricks and plates market, cell-type concrete market and the lime market. All geographic markets have been defined as regional markets

Since on these markets there is sound competition, and generally the supply is bigger than demand, the notified concentrations have been authorized through non-intervention decisions.

Notifications of economic concentrations on the market for railway wagons and component parts

TRINITY INDUSTRIES, INC. B.V./S.C. ASTRA VAGOANE S.A. Arad
TRINITY INDUSTRIES, INC. B.V/S.C. MEVA S.A. Drobeta Turnu-Severin
S.C. M.R. INVESTITII INDUSTRIALE S.A. Bucuresti/S.C. S.M.R S.A. Bals

The company Trinity Industries Inc. B.V. acquired from SOF 70 % of the shares of S.C. Astra S.A. Arad and S.C. MEVA S.A. Drobeta Turnu Severin, and S.C.M.R. Investitii Industriale S.A. Bucuresti acquired control at S.C. S.M.R. S.A Bals.

The competitive Romanian market for railway wagons and parts is an oligopolistic one and consists of:

- producers of passenger and merchandise railway wagons: S.C. Astra Vagoane S.A. Arad, S.C. MEVA Drobeta Turnu Severin and S.C. ROMVAG S.A. Caracal;
- producers of bogies: S.C. S.M.R. S.A. Bals and S.C. Nicolina S.A. Iasi; producers of spare parts and wagon repairing services: S.C. VAGMAR S.A. Craiova and S.C. ROVA S.A. Rosiori.

Generally, on the Romanian market, supply is greater than demand, and the notified concentrations do not lead to a significant restraining, preventing or distorting of competition. Consequently, the concentrations were authorized by non-intervention decisions.

Notifications of economic concentrations on the market for chemical fertilizers

TRANSWORLD FERTILIZERS HOLDING S.A/S.C. AZOMURES S.A. Tg.Mures
S.N.P. PETROM S.A./S.C. DOLJCHIM S.A. Craiova

In the Romanian market for chemical fertilizers, two economic concentrations have been achieved, mainly Transworld Fertilizers Holding S.A. acquired the majority stock at S.C. Azomures S.A. Tg. Mures, and S.N.P. Petrom S.A. Bucuresti merged with S.C. Doljchim S.A. – a bankrupt company, by purchasing its assets.

None of the acquiring companies operated before on the Romanian chemical fertilizers market, so

that after the economic concentration, market shares did not change, and thus the competitive environment remained unchanged.

The economic concentrations have been achieved by acquisition of control at S.C. Azomures S.A. by Transworld Fertilizers Holding S.A., and by the merger of S.N.P. Petrom S.A. with S.C. Doljchim S.A., and were authorized by non-intervention decisions.

Notifications economic concentrations on the market for oil products and petrochemical products

AKMAYA SANAYI VE TICARET AS/S.C. PETROMIDIA S.A. Constanta
EXXON CORPORATION/MOBIL CORPORATION

The Turkish company AKMAYA SANAYI VE TICARET AS acquired sole control at PETROMIDIA S.A. Constanta, one of the four big oil refineries from Romania: S.C. PETROMODIA S.A. has modern, complex equipment and is integrated with a complex of installations which for the petrochemistry industry.

The competitive market consists of 10 domestic competitors: S.N.P. PETROM S.A. (ARPECHIM Pitesti, PETROBRAZI Ploiesti), S.C. PETROTEL-LUKOIL S.A. Ploiesti, S.C. RAFO S.A. Onesti, S.C. ASTRA ROMANA S.A. Ploiesti, S.C. VEGA Ploiesti, S.C. PETROLSUB S.A. Suplacul de Barcau, S.C. LUBRIFIN S.A. Brasov, S.C. STEAUA ROMANA S.A. Campina, S.C. RAFINARIA Darmanesti S.A. si S.C. PETROMIDIA S.A. Constanta. On the market are also dealing foreign renowned companies, such as: SHELL, AGIP, LUKOIL, BRITISH-PETROLEUM, MOL, ARAL, CASTROL etc.

The company AKMAYA SANAYI VE TICARET AS did not operate before on the Romanian market for oil and petrochemical products, therefore, by the economic concentration, the competitive environment did not change and consequently, it was authorized by a non-intervention decision.

In 1999, an economic concentration it was notified to the Competition Council, achieved worldwide by the merger of EXXON CORPORATION with MOBIL CORPORATION. As a result of the merger, both companies will loose their business entity, and will form a new legal person – EXXON MOBIL CORPORATION, under the legislation of State of Delaware, USA.

EXXON CORPORATION and MOBIL CORPORATION are vertically integrated companies, dealing on a global scale in the oil industry and petrochemistry. Both companies were present in Romania, selling oil and petrochemical products.

The economic concentration was authorized by Competition Council through non-intervention decision.

Notification of economic concentrations on the market for electric cables

HELLENIC CABLES S.A. HELLENIC CABLE INDUSTRIE/S.C. ICME ECAB S.A. Bucuresti

PIRELLI CABLE HOLDING N.V./S.C. ELCARO S.A. Slatina

The Dutch company PIRELLI CABLES HOLDING NV acquired stocks at ELCARO SA Slatina company from SIEMENS AG, Germany and TURK SIEMENS, Turkey. These two acquisitions granted them control over ELCARO SA Slatina.

The relevant market is the market for cables from Romania. Here are the producers operating on this market: S.C. ICME S.A. Bucuresti, S.C. ELCARO S.A. Slatina, S.C. IPROEB S.A. Bistrita, S.C. ROMCAB S.A. Tg. Mures, S.C. ELECTROPLAST S.A. Bistrita si S.C. ROMCOMPLAST S.A. Buzau.

The acquiring companies did not previously operate on the relevant market, therefore, after the economic concentrations, the market structure did not change. The Competition Council authorized them through non-intervention decisions.

Other economic concentrations in the field of industrial products authorized by decisions of admission (art.51 (1a) from the Competition Law no.21/1996) were:

- research and development market: TRINITY INDUSTRIE, INC / SC ICPV SA Arad;
- market for non-ferrous metals, primary and semifinished products: SC DUCTIL STEEL SA Buzau / SC DUCTIL SA Buzau;
- market for wooden panels: FINNFOREST OY – Finland / SC BAILLOU TRADE SRL.

Economic concentrations in the manufacturing of industrial products authorized by non-intervention decisions (art.51 (1a) from the Competition Law no.21/1996) are:

- market for farming combines: S.C. MYO-O S.A. Bucuresti/S.C. SEMANATOAREA S.A. Bucuresti;
- market for tractors: NEW HOLLAND N.V. Olanda/CASE CORPORATION;
- market for equipment and spare parts for the metallurgic industry: S.C. UZINEXPORTIMPORT S.A./S.C. UPETROLAM S.A.;
- market for equipment for timber extraction and wood processing: S.C. MASINEXPORTIMPORT S.A. Bucuresti/S.C. MIRFO S.A. Tg. Jiu; S.C. MAVI PROD S.R.L. Reghin/S.C. IRUM S.A. Reghin;
- market for copper laminates: TRIP MATERIALS, INC./S.C. LAROMET S.A. Bucuresti;
- market for wires:
 - SIDER SIPE SPA, FERALPI SIDERURGICA SPA, GEM ROMANIA HOLDINGS/S.C. DUCTIL STEEL S.A.
 - ALLIED DEALS Plc. London/S.C. ELCOND S.A. Zalau
- market for non ferrous metals: ALLIED DEALS plc. London/S.C. PHOENIX S.A. Baia Mare.
- market for metallurgic zinc and of electrolytic lead: MYTILINEOS HOLDINGS

- S.A. Greece/S.C. SOMETRA S.A. Copsa Mica;
- market for pipes: STARO Stahl und Rohrenhandel GmbH/S.C. ARTROM S.A. Slatina;
- market for laminated wires, metal powders and welding electrodes: FRO S.R.L./S.C. DUCTIL S.A. Bucuresti;
- market for lacs, paints and dyestuffs: ICC Industries INC, U.S.A./S.C. AZUR s.A. Timisoara;
- market for electric bulbs: ORMALIGHT B.V./S.C. STEAUA ELECTRICA S.A. Fieni;
- market for naval equipment: ALRICO Ltd./S.C. MENAROM S.A.;
- market for heavy trucks: Aktiebolaget VOLVO/SCANIA;
- market for research/development in the field of tires: S.C. TOFAN GRUP S.A./S.C. CERELAST-ICPE S.A. Bucuresti;
- market for research servicing in crude oil and by-products processing technologies: S.N.P. PETROM S.A. Bucuresti / S.C. INCERP CERCETARE S.A. Ploiesti.

B. Economic concentration in the field of food and non-food products

Notification of economic concentrations on the sugar market

SOCIETE DES SUCRERIES Marquenterre/S.C. ZAMUR S.A. Tg. Mures
 SUCRE EST DEVELOPPEMENT Bazancourt/S.C. ZAHAR S.A. Arad
 S.C. FLORIAN HAUS PRODCOM S.R.L. Bucuresti/S.C. FELEACUL S.A. Cluj Napoca
 S.C. EDRI TRADING S.R.L. Vascau/S.C. ZAHAR S.A. Timisoara

The majority stocks of the four companies which are dealing in the processing of sugar beet, the production and marketing of sugar were sold by the SOF.

Two French companies acquired the majority stock at SC ZAMUR SA Targu Mures and SC ZALAU SA Arad, namely SOCIETE DES SUCRERIES from Marquenterre and SUCRE EST DEVELOPPEMENT from Bazancourt. Also, SC FLORIAN HAUS PRODCOM SRL Bucuresti acquired from SOF 51% of the stocks of SC FELEACUL SA Cluj-Napoca and SC EDRI Trading SRL. Vascau took acquired control over SC ZAHAR SA Timisoara.

The notified concentrations do not create or strengthen dominant positions on the Romanian sugar market. This market has been and still is competitive.

The economic concentration achieved by direct acquisition of control at SC ZAMUR SA Targu Mures by SOCIETE DE SUCRERIES was authorized by the Competition Council by an admission decision. The other three concentrations have been authorized by non-intervention decisions, according to the art.51 (1b) of the Competition Law no.21/1996.

Notifications of economic concentrations on the market for meat and meat products

S.C. CAMPOFRIO ALIMENTACION S.A. Spania/S.C. TABCO S.A. Tulcea

S.C. MARTIN'S EUROPEAN FOOD PRODUCTS COMIMPEX S.R.L. Suceava/S.C. FACOS S.A. Suceava
S.C. L&D LUCA IND S.R.L. Brasov/S.C. INDUSTRIA CARNII BARSA S.A. Brasov
S.C. LUCA S.R.L. Brasov/S.C. SUINPROD S.A. Codlea
S.C. KOSAROM S.A. Pascani/S.C. SUINPROD S.A. Roman
S.C. SILOZ Agigea S.A./S.C. SUINPROD Poarta Alba S.A.
S.C. NUTRIENTUL S.A. Palota/S.C. AVICOLA S.A. Salonta
AAYLEX TRADING S.R.L. Bucuresti/S.C. AVICOLA S.A. Buzau
S.C. AVICOLA S.A. Brasov/S.C. NUTRIBUZ S.A. Sahateni

On the market for meat and meat products many economic concentrations took place which have been notified to the Competition Council.

The companies SC TABCO SA Tulcea and SC FACOS SA Suceava which process meat and market meat products are directly controlled by the Spanish company SC CAMPOFRIO ALIMENTACION SA and by SC MARTIN'S EUROPEAN FOOD PRODUCTS COMIMPEX SRL Suceava, which acquired the majority stock from SOF.

L&D LUCA IND SRL Brasov acquired from SOF 51% of the stock at SC INDUSTRIA CARNII Barsa SA Brasov, and SC LUCA SRL Brasov, a company controlled by the same individuals owning SC L&D LUCA IND SRL acquired the majority stock of SC SUINPROD SA Codlea.

On the same market, SC SUINPRO SA Roman, a company acquired from SOF by SC Kosarom SA Pascani, deals with processing and marketing meat and meat products. .

SILOZ Agigea S.A. which has the main activity storing, conditioning and marketing of grains, acquired 98.4% of stocks of SC SUIPROD POARTA ALBA S.A. Nazarcea which deals with swine breeding, from SOF.

SC NUTRIENTUL S.A. Palota and AAYLEX TRADING S.R.L. Bucharest acquired the majority of AVICOLA S.A. Salonta and AVICOLA S.A. Buzau from SOF. The acquired companies are acting on the market of poultry meat and meat products while the acquiring companies are acting on other markets, i.e. the of fodder and protean flours markets.

The company AVICOLA S.A. Brasov which has the main activity poultry breeding for eggs and meat, their processing and marketing, acquired the control over SC NUTRIBUZ S.A. Sahateni, which produces fodder for animals, by acquiring the majority stock from SOF.

The market study shows that the market of meat and meat products is a competitive one, with more home producers and the imports have a significant weight.

These economic concentrations, notified to Competition Council in 1999 were authorized through admission or non-intervention decision as being compatible with a normal competitive environment.

Economic concentrations on the market for milk and dairy products

PARAMETRU COMMERCIAL ENGINEERING COMPANY S.R.L. Bucuresti/S.C.
INDUSTRIALIZAREA LAPTELUI SALAJ S.A. Simleul Silvaniei
PARAMETRU COMMERCIAL ENGINEERING COMPANY S.R.L Bucuresti/S.C. BRAILACT
S.A. Braila
PARAMETRU COMMERCIAL ENGINEERING COMPANY S.R.L Bucuresti/S.C. PROLACOM
S.A. Botosani

In 1999, PARAMETRU COMMERCIAL ENGINEERING COMPANY SRL Bucuresti notified the Competition Council the economic concentration achieved by acquisition from the SOF of the majority stock at three companies which are processing and marketing milk, mainly PROLACOM SA Botosani, S.C. INDUSTRIALIZAREA LAPTELUI Salaj SA Simleul Silvaniei and SC BRAILACT SA Braila.

By acquiring control at PROLACOM SA Botosani and INDUSTRIALIZAREA LAPTELUI Salaj SA Simleul Silvaniei, PARAMETRU COMMERCIAL ENGINEERING COMPANY SRL Bucuresti does not hold or strengthen its position on the milk and dairy products market from Romania, and the market remains competitive. Consequently, through decisions of admission, the Competition Council authorized these two concentrations.

PARAMETRU COMMERCIAL ENGINEERING COMPANY SRL Bucuresti acquired from SOF the majority stock at SC BRAILACT SA Braila. Thus, the acquiring company strengthens its position on the affected market and controls an important segment of this market. However, the Romanian market for milk and dairy products maintains its competitiveness.

The economic concentration achieved by acquiring the direct control over SC BRAILACT SA Braila by PARAMETRU COMMERCIAL ENGINEERING COMPANY SRL Bucuresti was authorized by Competition Council by non-intervention decision.

Notifications of economic concentrations in the market for bread and bakery products

S.C. DOBROGEA S.A. Constanta si OVERSEAS GROUP IMPEX S.R.L. Bucuresti/S.C.
LUJERUL S.A. Bucuresti
S.C. VITAL-MM (MARTIN'S MOULIN) S.A./S.C. LOBLEIN S.R.L.
SAINT GEORGE'S MILLS COMMERCIAL Ltd. Cyprus/S.C. TITAN S.A. Bucuresti
SAINT GEORGE'S MILLS COMMERCIAL Ltd. Cyprus/S.C. MOPAN S.A. Tg. Mures

In 1999, four economic concentrations were notified to the Competition Council on the market for bread and bakery products.

Companies DOBROGEA SA Constanta and OVERSEAS GROUP IMPEX SRL Bucuresti jointly acquired from SOF the majority stock of SC LUJERUL SA Bucuresti, a company with business in the milling of cereals, production of bakery and confectionery products.

Also, VITAL MM (MARTIN'S MOULIN) SA merged with SC LOBLEIN SRL. Both companies belong to the same group and, through the merger, SC LOBLEIN ceased to exist as a business entity, and became a workshop of SC VITAL MM (MARYIN'S MOULIN) SA.

Through admission decisions, the Competition Council authorized both economic concentrations.

Other two Romanian milling and bakery companies, SC TITAN SA Bucuresti and MOPAN SA Tg. Mures have been acquired by SAINT GEORGE'S MILLS COMMERCIAL Ltd. from Cyprus, whose main line of business are direct investments in the industry of processing cereals, in the Balkan countries and the Black Sea area.

The notified economic concentrations did not significantly lessen competition on the bread and bakery product market. The affected market maintained the competitive feature after the achievement of the economic concentrations.

The Competition Council authorized by non-intervention decisions the above-mentioned mergers.

Notifications of economic concentrations on the market for contracting, acquisition and marketing of grains, beans and oil bearing seeds

S.C. ROMPAC INTERNATIONAL S.A. Bucuresti/S.C. COMCEREAL S.A. Botosani
S.C. ROMPAC INTERNATIONAL S.A. Bucuresti/S.C. COMCEREAL S.A. Suceava
S.C. ROMPAC INTERNATIONAL S.A. Bucuresti/S.C. CEREALCOM S.A. Botosani
S.C. ROMPAC INTERNATIONAL S.A. Bucuresti/S.C. COMCEREAL S.A. Dambovită
S.C. EUROPEAN DRINKS S.A. Rieni/S.C. COMCEREAL S.A. Timis
S.C. EUROPEAN DRINKS S.A. Rieni/S.C. CEREALCOM S.A. Arad
S.C. EDRI TRADING S.R.L. Vascau/S.C. CEREALCOM S.A. Mehedinti
PAS AGROEXPORT, PAS SILOZ PORT Constanta, S.C. BRITANNIA S.A. Bucuresti, S.C. AGREX SHIPPING AND TRADING S.R.L. Constanta/S.C. AGROEXPORT SI S.C. SILOZ PORT Constanta

ROMPAC INTERNATIONAL SA Bucuresti company gained the control over four companies operating in the contracting, acquisition and marketing of grains, beans and oil bearing seeds, mainly S.C. COMCEREAL S.A. Botosani, S.C. COMCEREAL S.A. Suceava, S.C. CEREALCOM S.A. Botosani and S.C. COMCEREAL S.A. Dambovită.

The acquiring company did not deal previously on the affected market, its object of activity being the production and marketing of carton packing, import of raw materials and oil products, exporting of cereals and chemical products. The economic concentrations were notified to the Competition Council.

The economic concentration operations aimed at:

- improvement of the economical-financial situation of the acquired societies;
- development of the local agricultural potential;
- rehabilitation and modernization of the cereal conditioning installations.

The Competition Council authorized the notified concentrations by non-intervention decisions.

The company EUROPEAN DRINKS SA Rieni notified the Competition Council on the economic concentrations achieved by acquiring the majority stock of SC COMCEREAL SA Timis and SC

CEREALCOM SA Arad. Also, company SC EDRI TRADING SRL Vascau notified the Competition Council on the economic concentration achieved by acquiring control at SC CEREALCOM SA Mehedinti.

The proposed and notified economic concentrations do not lead to the lessening or prevention of competition on the affected markets, and are compatible with a normal competitive environment. For these reasons, the economic concentrations were authorized by the Competition Council.

An economic concentration was notified to Competition Council concerning the direct jointly acquiring the control by PAS AGROEXPORT and SILOZ PORT Constanta, SC BRITANNICA SA Bucuresti and SC AGREX SHIPPING AND TRADIN SRL Constanta over SC AGROEXPORT and SILOZ PORT Constanta.

The Competition Council authorized the economic concentration through a non-intervention decision.

Notifications economic concentration on the markets for furniture, wooden chipboards and matches

S.C. ROLAND S.A. Pucioasa/S.C. CHIBRO S.A. Bucuresti
MERONA HOLDING AG Switzerland/S.C. PAL S.A. Braila
BLOMBERGER HOLZINDUSTRIE B. HASMANN/S.C. CILDRO S.A. Drobeta Turnu Severin

ROLAND SA Pucioasa notified to the Competition Council the economic concentration achieved by acquisition of 40% of the shares from SOF at SC CHIBRO SA, followed by the increase of capital by a new issue of shares, bought by SC ROLAND SA . In this way, SC ROLAND SA has now the sole control over SC CHIBRO SA, owning 66,54% of its shares.

Even though, through the economic concentration, SC ROLAND SA controls a significant segment of the market for matches in Romania, this operation does not have as effect the consolidation of a dominant position on the affected market.

The notified economic concentrations has been authorized by a non-intervention decision.

On the market for furniture, chipboard and matches an economic concentration was achieved, by acquisition of control at SC PAL SA Braila by MERONA HOLDING AG Switzerland.

Also, another furniture manufacturer, CILDRO Drobeta Turnu Severin has been acquired by the German company BLOMBERGER BHOLZINDUSTRIE B. HAUSMANN.

There is strong competition on the Romanian market for furniture, by both Romanian producers and importing companies.

The economic concentrations do not create or consolidate a dominant position on the market for furniture, chipboard and matches, and thus, they have been authorized by non-intervention decisions.

Other economic concentrations authorized by admission decisions according to art.51(1a) from the Competition Law no.21/1996:

- market for socks and stockings: N.V. BONNETERIE BOSTEELS-DE SMETH Belgia/S.C. ELCA s.A. Campina;
- market for beer, liqueur and yeast: S.C. ALTUN MAYA SANAYI VE TICARET Ltd. Sirketi Turcia/S.C. BERE LICHIOR MARGINENI S.A. Bacau;
- market for cigarettes: S.C. ROTHMANS OF PALL MALL ROMANIA S.R.L./BRITISH AMERICAN TOBACCO ;
- market for metal constructions and woodwork: S.C. EDRI TRADING S.R.L./S.C. TONICAL TRADING S.R.L. Oradea;
- market for producing and marketing of doors, windows and upholstery: S.C. EUROPEAN DRINKS S.A. Rieni/S.C. ROMOBIN S.A. Stei;
- market for marketing food and non-food products:
EUROPEAN DRINKS SA Rieni acquired from SOF the majority share of the following companies: S.C. GROSMETCHIM S.A. Pitesti, S.C. CARMETCHIM S.A. Resita, S.C. ALUTUS S.A. Slatina, S.C. MARCOM S.A. Baia Mare, S.C. IMPARATUL TRAIAN S.A. Braila, S.C. GROSALIMENT S.A. Tg. Mures, S.C. GROSIL S.A. Slobozia, S.C. COLUMNNA S.A. Tg. Jiu, S.C. CRISANA S.A. Oradea, S.C. DUNAREA S.A. Moldova Noua, S.C. BEIUSANA S.A. Beius, S.C. DARMA S.A. Piatra Neamt, S.C. BUCEGI S.A. Ploiesti, S.C. COVALIM S.A. Sfantu Gheorghe.

Other economic concentrations on the market for food and non-food products:

- S.C. TRANSILVANIA GENERAL IMPORT EXPORT S.R.L. Oradea/S.C. COMTEXIN S.A. Bucuresti;
- S.C. TRANSILVANIA GENERAL IMPORT EXPORT S.R.L. Oradea/S.C. STAR S.A. Craiova;
- S.C. ORIGINAL PROD S.R.L. Vascau si S.C. INTERSTOCK EXIM S.R.L. Sudrigin/S.C. SALAJEANCA S.A. Zalau.

Economic concentrations authorized by non-intervention decisions (art.51(1b) from the Competition Law no.21/1996):

- market for socks and pants: N.V. BONNETERIE BOSTEELS-DE SMETH Belgia/S.C. ADESGO S.A. Bucuresti; S.C. UNIWEAR S.A. Belgia.;
- market for beer: INTERBREW CENTRAL EUROPEAN HOLDING BV Olanda si INTERBREW INTERNATIONAL BV Olanda/S.C. ROMANIAN EFES BREWERY S.A.;
- market for bottling and marketing of the mineral water: S.C. QUADRANT-AMROQ BOTTLING COMPANY Ltd. British Virgin Islands/S.C. VITAROM S.R.L. Bucuresti;
- market for edible oil: S.C. PREFABRICATE VEST S.A. Bucuresti/S.C. MUNTENIA S.A. Bucuresti;
- market for soft drinks: COCA_COLA BEVERAGES Plc. Anglia/OZEKSIM DIS TICARET VE GIDA YATIRIMLAR AS Turcia;
- market for medicines: RICHTER GEDEON VEGYESZETI GYAR Rt./RELAD

MANUFACTURING S.R.L.;

- market for medical cotton and medical tissues of cotton and cotton type fibres: : S.C. ROLAND S.A. Pucioasa/S.C. CRIORTEX S.A. Oradea;
- market for pharmaceutical products: S.C. PHARMATECH ROMANIA S.R.L. Tg. Mures/S.C. NAPOFARM FARMACEUTICA S.A. Cluj-Napoca;
- market for linen and hemp yarns: UNIWEAR S.A. Belgia/S.C. FALIN S.A. Falticeni;
- market for small household electric products and industrial electric equipment: S.C. TRI.O.M. Sp.A Italia/S.C. ELECTROMURES S.A. Tg. Mures.

Economic concentrations in the field of services

Notifications of economic concentrations on the market for cable TV broadcasting:

S.C. TERRA SAT COMP S.R.L. Resita/S.C. CABLE VISION OF ROMANIA S.A. Bucuresti
S.C. ASTRAL TV S.R.L. Cluj-Napoca/S.C. COAX TV S.R.L. Cluj-Napoca
S.C. TERRA SAT COMP S.R.L./S.C. ROMANIA CABLE SYSTEMS (R.C.S.) S.A.
S.C. ASTRAL TV S.R.L. Cluj-Napoca/S.C. DAGS COMIMPEX S.R.L. Cluj-Napoca
I S.C. ANALOG S.A./S.C. WINDSOR S.R.L.
II S.C. TERRA SAT COMP S.R.L./S.C. CONY SAT S.R.L. Galati
III S.C. ASTRAL TV S.R.L./S.C. CABLE VISION OF ROMANIA S.A.
IV S.C. ASTRAL TV S.R.L./S.C. GAMELAND S.R.L. Galati
V S.C. ASTRAL TV S.R.L./S.C. DACOLUCI S.R.L. Mangalia

The Competition Council has been notified on several economic concentrations on the cable TV broadcasting market.

ASTRAL TV SRL Cluj-Napoca took over the following cable TV broadcasting companies: S.C. COAX TV S.R.L. Cluj-Napoca, S.C. DAGS COIMPEX S.R.L. Cluj-Napoca, S.C. GAMELAND S.R.L. Galati, S.C. DACOLUCI S.R.L. Mangalia and acquired “cable TV network components” from SC CABLE VISION OF ROMANIA SA Bucuresti.

Another company, SC TERRA SAT COMP SRL acquired cable TV networks in the cities of Drobeta Turnu Severin and Pitesti from SC CABLE VISION OF ROMANIA and from S.C. ROMANIA CABLE SYSTEMS S.A., as well as the cable TV network in Craiova from SC CONY SAT SRL Galati.

SC ANALOG SA Timisoara acquired the cable TV network from Timisoara from WINDSOR S.R.L. Timisoara.

Having in view that none of the above-mentioned economic concentrations create or consolidate a dominant position which could significantly restrict, prevent or distort competition on the cable TV broadcasting market, the Council authorized them by non-intervention decisions.

Notifications of economic concentrations on the banking services market

SOCIETE GENERAL S.A./BANCA ROMANA DE DEZVOLTARE
SOCIETE GENERAL S.A./PARIBAS S.A. Paris
GENERAL ELECTRIC CAPITAL CORPORATION/BANCO PORTUGUES DE
INVESTIMENTO S.A./S.C. BANC POST S.A.

SOCIETE GENERALE SA France notified to Competition Council the economic concentrations operation achieved by acquiring from SOF the majority shares at S.C. BANCA ROMANA PENTRU DEZVOLTARE S.A. (BRD)

This operation had as objectives:

- to finalize the Privatization Strategy of BRD as approved by the Government Decree no 428/1998;
- transfer of expertise and know-how in the banking field;
- introduction of new and improved products in the specific activity of the bank;
- improvement of utilization of bank assets;
- to tailor banking service quality to the international level;
- more efficient integration of the Romanian banking system with the international system, including access to the world's financial market.

The notified economic concentrations was authorized by the Competition Council through decision of non-intervention.

The Competition Council authorized by admission decision the economic concentration achieved at the level of mother-companies SOCIETE GENERALE SA and PARIBAS SA Paris, France, an operation which does not produce effects on the Romanian market for banking services, even if at the end of 1998 SOCIETE GENERALE SA took over BANCA ROMANA DE DEZVOLTARE.

GENERAL ELECTRIC CAPITAL CORPORATION USA and BANCO PORTUGUES DE INVESTIMENTO SA Portugal bought from the SOF shares at SC BANC POST SA. This operation is an economic concentration for the purposes of art.11(2b) from the Competition Law no.21/1996 and was notified to the Competition Council.

This economic concentration ensures:

- to finalize the Privatization Strategy of BRD as approved by the Government Decree no 428/1998;
- transfer of expertise and know-how in the banking field;
- more efficient integration of the Romanian banking system with the international system, including access to the world's financial market.

The Competition Council authorized this economic concentration operation by a non-intervention decision.

Notifications of economic concentrations on the market for advertizing services

S.C. LEADERCOM LIMITED Cyprus/S.C. TRANSIT METRO MEDIA S.R.L. Bucuresti
S.C. LEADERCOM LIMITED Cyprus/S.C. AMERDECO S.R.L. Bucuresti
S.C. LEADERCOM LIMITED Cyprus/S.C. MONOPOLY MEDIA S.A. Bucuresti

On the market for advertizing services, REGENT COMMUNICATIONS GROUP LTD yielded through a cession contract to LEADERCOM LTD 49% of the shares held at TRANSIT METRO MEDIA SRL, and LEADERCOM LTD. now has sole control

Also, based on cession contract, REGENT COMMUNICATIONS GROUP LTD yielded to LEADERCOM LTD its entire shares (50%) held at ARMEDICA SRL, so that now LEADERCOM LTD has sole control.

On the market for outdoor advertising, there are over 30 societies, each of them being able to offer a large range of services.

The company LEADERCOM LTD notified to the Competition Council the operation of economic concentration achieved by participation with capital, and is now exercising sole and direct control over MONOPOLY MEDIA by owning the majority stock. In fact, LEADERCOM LTD acquired almost the whole stock from the former employees of MONOPOLY MEDIA. The operation has been authorized through non-intervention decision.

Notifications of economic concentrations on the market for mobile phone services

SC RDT (Holdings) SA/SC Telefonica Romania SA (SC Telemobil SA)

In May 1998, SNTc ROMTELECOM SA and SC RDT (Holdings) SA concluded a stock buying-selling contract, acquiring the majority stock (60%) in SC TELEFONICA ROMANIA SA (presently SC TELEMobil SA) by RDT (Holdings) . This concentration falls within Art.11 from the Competition Law no.21/1996.

In conformity with Art.16(1) of the Law, SC RDT (Holding) SA was bound to notify this concentration to the Council. Since it failed to do so, by Decision no.70/19.05.1999, the Commission of the Competition Council fined SC RDT (Holding) SA. The latter appealed the decision, but the appeal was denied through decision 108/24.06.1999 and the Council maintained the amount of the fine. Subsequently, the economic concentration was notified to the Competition Council and authorized by an admission decision.

Notified of economic concentration on the market for marketing and servicing of desk equipment

SC XEROX (ROMANIA) ECHIPAMENTE SI SERVICII SA / SC AREXIM SA

By the contract of buying assets and transfer of obligations, a part of the properties owned by SC AREXIM SA was transferred to SC XEROX ROMANIA SA thus being achieved an economic concentration for the purposes of art.11 of the Competition Law no.21/1996. The company XEROX ROMANIA ECHIPAMENTE SI SERVICII failed to notify this concentration as provided by art.16(1) of the Competition Law. Consequently, a Commission of the Competition Council, appointed by Order of the President of the Council, decided to sanction SC XEROX ROMANIA ECHIPAMENTE SI SERVICII SA by fine.

Eventually, S.C. XEROX ROMANIA ECHIPAMENTE SI SERVICII SA notified the economic

concentration achieved with SC AREXIM SA.

The economic concentration did not raise any competition problem as for the structure of the market for marketing and servicing of desk equipment, since AREXIM operated as one of 17 licensed XEROX dealers.

According to art.51(1b) of the Competition Law, the economic concentration was authorized by a non-intervention decision.

The following economic concentrations were authorized through admission decisions by the Competition Council, in compliance with art.51 (1a) of the Competition Law:

- on the market for marketing of non-food products: SC ROMSTAL IMEX SRL / SC ROMSTAL IMEX 2000 SRL;
- on the market for transport services:
SC EDRI TRADING SRL Vascau / SC AGROTRANSPORT SA Ramnicu Valcea
SC EUROPEAN DRINKS SA Rieni / SC AUTOCRISANA SA Oradea
SC EDRI TRADING SRL Vascau / SC OMNITRANS SA Stei.
- on the market for tourist services: SC EDRI TRADING SRL / SC IADOLINA SA Stana de Vale;
- on the market for motor cars maintenance and repair: SC EDRI TRADING SRL / SC CONDRA X SA Chitila.

The Competition Council authorized by non-intervention decision in compliance with art.51(1b) of the Competition Law the following economic concentrations:

- on the market for press: S.C. RINGIER ROMANIA S.R.L., DRUCK-UND VERLAGSHAUS GRUNER-JAHR AKTIENGESELLSCHAFT HAMBURG si ZEITUNGSVERLAGE UND-DRUCKEREIEN GmbH/S.C. EXPRES S.R.L.;
- on the market for paging services: RADIOTEL S.A. Bucuresti, ROKURA S.R.L. Bucuresti, ELICOM S.R.L. Bucuresti, RADIOTEL VEST S.A. Arad, RADIOTEL BRASOV S.R.L. Brasov, RADIOTEL BIHOR S.A. Oradea, RADIOTEL CLUJ S.R.L. Cluj NAPOCA, RADIOTEL CONSTANTA S.A. Constanta, RADIOTEL MARAMURES S.A. Baia Mare, REXOLT S.R.L. Craiova, RADIOTEL S.A. Sibiu, RADIOTEL VEST S.R.L. Timisoara/S.C. ROMTEL INTERNATIONAL S.A.;
- on the market for creation-design services in construction: S.C. AEDIFICIA CARPATI S.A. Bucuresti/S.C. CARPATI PROIECT S.A. Bucuresti;
- on the market for services capital repairs of heavy equipment: S.C. MULTI SISTEM INDUSTRY S.R.L./S.C. RECO S.A.;
- on the market for marketing services for DACIA cars spare parts and car accessories and for sport-tourism camping articles: S.C. MULTI SISTEM INDUSTRY S.R.L./S.C. COMAUTOSPORT S.A.;
- on the market for marketing spare parts, motor car accessories for cars produced in Romania: S.C. ROMSTAL IMEX 2000 S.R.L./S.C. IATSA DEPOZIT ZONAL S.A. Timisoara.
- on the market for marketing fuels: S.C. OMV ROMANIA MINERALOEL S.R.L./S.C. AWA COMERT INTERNATIONAL S.R.L.;

- on the market for marketing food and non-food products:
S.C. PTELIA COMPANY Ltd. Cyprus/S.C. TOMIS S.A. Constanta;
S.C. TOMIS S.A. Constanta/S.C. ALIMENT S.A. Constanta

On 31.12.1999, 33 economic concentrations were pending. From these, investigations have been opened in three cases, by order of the President of the Competition Council.