Control of concentrations between undertakings (amend. regul. 4064/89/EEC)

1996/0224(CNS) - 22/10/1996

The committee adopted the two reports by Mr Bernhard RAPKAY (PSE, D) on the monitoring of company mergers. The committee was required to vote both on the Commission paper and communication and on the proposal to amend the regulation on mergers. The committee advocated a significant reduction in thresholds, as it had reaffirmed in various resolutions. In view of Council's resistance to too drastic a reduction, it called on it to approve at least the compromise proposed by the Commission. It also called for the scheme to apply both to concentrative joint ventures and cooperatives. Finally, it called on the Commission to carry out a critical review of the exception to the two-thirds rule. This area is currently governed by a regulation which entered into force in 1990 and which stipulates that the Commission is responsible for mergers as soon as they have a Community dimension, as defined on the basis of the annual turnover of the companies. At present, in order to fall within the scope of the regulation, the combined worldwide turnover of companies party to a merger must exceed ECU 5 billion and the Community turnover of at least two of these companies must exceed ECU 250 million. Mergers with a significant cross-border impact may be excluded from the scope of the regulation if the companies involved achieve over two-thirds of their Community turnover in one and the same member state. Given the increase in national control systems since 1989 and the problems which have arisen as a result, especially in the case of multiple notifications, the Commission has proposed a new approach. In its Green Paper, the Commission proposes a linear reduction in the thresholds to 2 billion and 100 million. An alternative would be to apply this reduction solely to mergers involving companies in three Member States. In view of the resistance expected from the Council, it finally opted for a combined approach: - a reduction in current worldwide and Community thresholds to ECU 3 billion and 150 million and - for mergers which would be subject to examination in at least three Member States, thresholds of ECU 2 billion and 100 million. The Commission also proposed to maintain the exception to the two-thirds rule. Given its proposal for a resolution on the Green Paper, the committee approved the Commission proposal on the amendment to the rules on the monitoring of company mergers.