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Judgment of the General Court in Case T-584/19 | thyssenkrupp / Commission

The General Court upholds the Commission's decision prohibiting the proposed merger between thyssenkrupp and Tata Steel

Thyssenkrupp, a German industrial group, and Tata Steel, a company whose registered office is in India, are active, inter alia, in the manufacturing and supply of flat carbon steel products and of electrical steel. Their centres of production are located, respectively, in Germany, the United Kingdom and the Netherlands. Those companies also have finishing plants in other Member States.

On 25 September 2018, the two undertakings notified the Commission, in accordance with the Merger Regulation,¹ of their plan to acquire joint control of a newly created joint venture. The Commission held that the proposed concentration raised serious doubts as to its compatibility with the internal market and decided to initiate an indepth examination procedure.

The proposal related primarily to metallic coated and laminated steel products for packaging and hot-dip galvanised steel products used in the automotive industry.

The Commission adopted a statement of objections by which it concluded, as a preliminary point, that the proposed merger transaction would result in a significant impediment to effective competition in a substantial part of the internal market. Following an exchange with the undertakings involved and after sending requests for information to a number of market players, including, inter alia, competitors and customers, **the Commission declared**, by decision of 11 June 2019, ² that **the transaction was incompatible with the internal market and the European Economic Area** (EEA).

The Commission considered that the transaction would result in a significant impediment to effective competition, in particular due to horizontal non-coordinated effects resulting from the elimination of an important competitive constraint. As a result, customers would have faced a reduction in the number of suppliers, as well as higher prices.

According to the Commission, the remedies proposed by thyssenkrupp and Tata Steel did not address in a full and lasting manner the competition problems identified. Consequently, thyssenkrupp brought an action before the General Court of the European Union for annulment of the decision.

In today's judgment, **the General Court rejects all the arguments raised by the undertaking** and upholds the Commission's decision.

¹ Council Regulation (EC) No 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (OJ 2004 L 24, p. 1).

² Commission Decision C(2019) 4228 final of 11 June 2019 (Case M.8713 – Tata Steel/thyssenkrupp/JV).

NOTE: An appeal, limited to points of law only, may be brought before the Court of Justice against the decision of the General Court within two months and ten days of notification of the decision.

NOTE: An action for annulment seeks the annulment of acts of the institutions of the European Union that are contrary to EU law. The Member States, the European institutions and individuals may, under certain conditions, bring an action for annulment before the Court of Justice or the General Court. If the action is well founded, the act is annulled. The institution concerned must fill any legal vacuum created by the annulment of the act.

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