

***Case No IV/M.1382 -
TYCO / AMP***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 03/02/1999

*Also available in the CELEX database
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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 3.02.1999

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sirs,

Subject: Case No IV/M. 1382 – TYCO / AMP

Notification of 04.01.1999 pursuant to Article 4 of Council Regulation No 4064/89

1. On 04.01.1999, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which the undertaking Tyco International Ltd (“Tyco”) acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the undertaking AMP Incorporated (“AMP”) by way of purchase of shares.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the EEA Agreement.

I. THE PARTIES' ACTIVITIES AND THE OPERATION

3. All the outstanding shares of AMP will be acquired by a wholly owned subsidiary of Tyco, with AMP shareholders receiving Tyco stock in exchange for their shares. Tyco is involved in the manufacture and distribution of disposable medical supplies and other speciality products; the design, manufacture, installation and service of fire detection and suppression systems and security systems; and the manufacture and distribution of flow control products and electrical and electronic components. AMP is active in the design, manufacture and marketing of electronic, electric and electro-optic connection devices, interconnection systems and connector-intensive assemblies.

II. COMMUNITY DIMENSION

4. Tyco and AMP have a combined aggregate worldwide turnover in excess of EUR 5,000 million (Tyco, EUR 11,119 million; and AMP, 5,065 million). Each of them has a Community-wide turnover in excess of EUR 250 million (Tyco, EUR [...] million; and AMP, EUR [...] million), but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension, and does not constitute a cooperation case under the EEA Agreement, pursuant to Article 57 of that Agreement.

III. COMPETITIVE ASSESSMENT

A. Relevant markets

5. The only horizontal overlap in the activities of the parties occurs in the sector of printed circuit boards (PCBs) and assemblies. The parties argue that this sector forms a single, EU-wide, product market. However, it is not necessary to further delineate the relevant markets because, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

B. Assessment

6. In PCBs and assemblies, the market position of both parties is clearly de minimis (they account for [0-5] % of sales of PCBs and assemblies in the EU) and the notified operation will have no impact on competition in the EEA. In all other markets there is no horizontal overlap.
7. Tyco has significant market shares in fire detection systems, while AMP manufactures connectors, which are components of these systems. However, the connectors used in fire detection systems are low value commodity-type products, which account for a minimal (less than 1%) part of the added value of fire detection systems. Therefore, there are no indications that the operation reinforces the position of Tyco in the downstream market.
8. In view of the market position of the parties to the concentration, it appears that the notified operation will have no impact on competition in the EEA. Consequently, the proposed concentration does not create or strengthen a dominant position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

IV. CONCLUSION

9. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,