EUROPEAN COMMISSION

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PUBLIC VERSION

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EC) No 139/2004 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 Where possible the information omitted has been replaced by ranges of figures or a general description.

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Subject: **Case M.11086 - ARCELIK / WHIRLPOOL EMEA MDA**
Commission decision pursuant to Article 6(1)(b) of Council Regulation No 139/2004[1] and Article 57 of the Agreement on the European Economic Area[2]

Dear Sir or Madam,

(1) On 18 September 2023, the European Commission received notification of a proposed concentration pursuant to Article 4 of the Merger Regulation by which Arçelik A.Ş. ('Arçelik' or the 'Notifying Party', Turkey) acquires within the meaning of Article 3(1)(b) of the Merger Regulation sole control over Whirlpool Corporation's ('Whirlpool', US) major domestic appliances business in Europe, Middle East, and Africa ('EMEA', the 'Target') (the 'Transaction').[3] Arçelik and the Target are hereinafter referred to as the 'Parties'.

[1] OJ L 24, 29.1.2004, p. 1 (the 'Merger Regulation'). With effect from 1 December 2009, the Treaty on the Functioning of the European Union ('TFEU') has introduced certain changes, such as the replacement of 'Community' by 'Union' and 'common market' by 'internal market'. The terminology of the TFEU will be used throughout this decision.
[2] OJ L 1, 3.1.1994, p. 3 (the 'EEA Agreement').
[3] Publication in the Official Journal of the European Union No C/2023/339, 26.09.2023.

1. THE PARTIES

(2) Arçelik is active in the supply of domestic appliances and consumer electronics globally. In the EEA, Arçelik supplies major domestic appliances ('MDA') under the following brands: Beko, Blomberg, Arctic, Altus, Grundig, Flavel, Leisure, Zenith and Elektrabregenz. Its EEA operations include 25 EEA subsidiaries and two production facilities in Romania, which along with Arçelik's Turkish manufacturing sites, supply the EEA. Arçelik is also active in the supply of small domestic appliances ('SDA'), such as mixers, kettles, toasters, and espresso/coffee makers in the EEA. Arçelik is ultimately solely controlled by Koç Holding A.Ş. (the 'Koç Group').

(3) The Target consists of Whirlpool's MDA business in EMEA, including Whirlpool's 38 EMEA subsidiaries (of which 31 are located in the EEA), and nine production sites located in Italy (4), Poland (3), Slovakia (1), and the UK (1). The Target also includes Whirlpool's MDA brands Ariston,[4] Indesit, Hotpoint, Ignis, Privileg, Polar, Laden and Bauknecht, and an exclusive licence to the Whirlpool brand for up to 40 years in parts of the EMEA territory, including the EEA. Post-Transaction, Whirlpool will continue to be active in the EEA in the supply of SDA, such as mixers, kettles, toasters, and espresso/coffee makers (with the KitchenAid brand), as well as in the supply of waste disposer/instant hot water appliances under the InSinKerator brand.

2. THE OPERATION

(4) Pursuant to a Contribution Agreement concluded on 16 January 2023 (the 'CA'), Arçelik has set up a standalone business, Beko Europe B.V. ('Beko Europe'), to which Arçelik will contribute its European MDA and SDA businesses and Whirlpool will contribute the Target, in exchange for shares in Beko Europe. Upon closing, Arçelik will hold approximately 75% of the shares in Beko Europe and Whirlpool approximately 25%. Arçelik and Whirlpool further signed the Share Purchase Agreement of 22 June 2023 (the 'SPA'), pursuant to which Arçelik will also acquire Whirlpool's Middle East and North Africa business through the acquisition of 100% of the shares in Whirlpool Maroc S.a r.l (Morocco) and Whirlpool MEEA (the United Arab Emirates).

No acquisition of joint control

(5) The acquisition by Whirlpool of a 25% shareholding in Beko Europe will not lead to joint control by Arçelik and Whirlpool over the Target for the following reasons.

(6) *First*, Arçelik will have the right to appoint the majority of (four out of the six) Board members of Beko Europe. Whirlpool will have the right to appoint at most two members, but it will have no right to appoint members of any other decision-making body of Beko Europe. Board resolutions will be passed by a simple majority of the members present, and each member will have one vote. The quorum rules will not grant Whirlpool the ability to block the Board from voting on a resolution.

[4] The Parties are still negotiating the terms under which Ariston brand will be contributed to the Target.

(7) *Second*, Arçelik will designate the [information relating to the governance structure of Beko Europe] CEO [information relating to the governance structure of Beko Europe].[5] [Information relating to the governance structure of Beko Europe].

(8) *Third*, [information relating to the governance structure of Beko Europe] agree on Beko Europe's initial business plan [information relating to the governance structure of Beko Europe]. A revised budget and business plan will be produced annually [information relating to the governance structure of Beko Europe].

(9) *Fourth*, [information relating to the governance structure of Beko Europe].[6].[7]

(10) Accordingly, Arçelik will acquire sole control over Beko Europe following completion of the Transaction.

Single concentration

(11) The Commission concludes that both transactions under the CA and the SPA are interrelated, and hence constitute a single concentration within the meaning of Article 3 of the Merger Regulation and the Commission Jurisdictional Notice.[8] As a result of both transactions respectively, Arçelik will ultimately acquire sole control over the Target. Furthermore, none of the transactions would take place without the other. In particular, no party is obliged to complete the transfer of shares under the CA unless the transfer of the shares under the CA and SPA is completed simultaneously.[9] The SPA automatically terminates if the CA is terminated.[10]

(12) The Transaction therefore results in the acquisition of sole control by Arçelik over the Target pursuant to Article 3(1)(b) of the Merger Regulation.

3. UNION DIMENSION

(13) The undertakings concerned have a combined aggregate worldwide turnover of more than EUR 5 000 million (Koç Group: EUR […] in 2022; Target: EUR […] in 2022). Each of them has an EU-wide turnover in excess of EUR 250 million (Koç Group: EUR […] in 2022; Target: EUR […] in 2022). Furthermore, the Parties do not achieve more than two-thirds of their aggregate EU-wide turnover within one and the same Member State. The Transaction therefore has an EU dimension within the meaning of Article 1(2) of the Merger Regulation.

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5 [Information relating to the governance structure of Beko Europe] may request the removal of the CFO.

6 [Information relating to the governance structure of Beko Europe].

7 [Information relating to the governance structure of Beko Europe].

8 Commission Consolidated Jurisdictional Notice under Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings, OJ C 95, 16.4.2008, p. 1-48, paragraphs 38 et seq.

9 Article 8.5 of the CA.

10 Article 19.4 SPA.

4. MARKET DEFINITION

(14) The Parties' activities overlap horizontally in the manufacture and supply of MDA to retailers and other resellers.[11]

4.1. The manufacture and supply of MDA

4.1.1. Product market definition

4.1.1.1. The Commission's past practice

(15) In previous decisions, the Commission has identified separate relevant product markets for each category of MDA. More precisely, the Commission has identified the following separate markets: (i) cooking appliances, (ii) hoods, (iii) dishwashers, (iv) refrigerators, (v) freezers, (vi) microwave ovens, (vii) washing machines and (viii) tumble dryers.[12] The Commission has also previously considered whether a further differentiation between freestanding and built-in appliances,[13] and between connected and non-connected appliances would be appropriate,[14] as well as if cooking appliances should be further segmented by product (into ovens, hobs, and cookers),[15] but ultimately left open the exact market definition.

4.1.1.2. The Notifying Party's view

(16) The Notifying Party considers that each type of MDA constitutes a separate product market. The Notifying Party submits that there are no grounds for further segmenting the MDA markets into built-in versus freestanding appliances. According to the Notifying Party, this is because there is a high supply-side and demand-side substitutability and most of the major MDA manufacturers produce both built-in and freestanding MDA.

(17) The Notifying Party further submits that there are no grounds for segmenting the MDA markets into connected versus non-connected appliances. This is because there is strong supply-side substitution between smart/connected MDA and non-connected MDA in both directions. According to the Notifying Party, every manufacturer that produces non-connected MDA also produces smart/connected MDA.

4.1.1.3. The Commission's assessment

(18) In line with the Commission's prior decisional practice, the results of the market investigation confirm that separate markets exist for each of the MDA categories

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11 The Parties' activities also overlap horizontally in the manufacture and supply MDA to private label customers and other OEMs but given that this overlap does not lead to any affected markets, it will not be further assessed in this decision.

12 Commission decision of 4 March 2002 in Case COMP/M.2703 – Merloni/GE/GDA JV, paras 9-12; Commission decision of 7 July 2010 in Case COMP/M.5859 – Whirlpool/Privileg Rights, para 11; Commission decision of 19 November 2012 in Case COMP/ M.6717 – Whirlpool/Alno, para 15; Commission decision of 13 October 2014 in Case COMP/M.7366 – Whirlpool/Indesit, paras 10-13; Commission decision of 12 December 2018 in Case COMP/M.9139 – Haier/Candy, para 7.

13 See e.g. Commission decision of 13 October 2014 in Case COMP/M.7366 –Whirlpool/Indesit, paras 10-16. Freestanding appliances are complete appliances with their own finished sides, which can stand on their own. Built-in appliances are integrated into the kitchen walls or cabinets.

14 Commission decision of 12 December 2018 in Case COMP/M.9139 – Haier/Candy, paras 10-12.

15 Commission decision of 12 December 2018 in Case COMP/M.9139 – Haier/Candy; Commission decision of 13 October 2014 in Case COMP/M.7366 – Whirlpool/Indesit.

(i.e. (i) cooking appliances, (ii) hoods, (iii) dishwashers, (iv) refrigerators, (v) freezers, (vi) microwave ovens, (vii) washing machines and (viii) tumble dryers).[16] The market investigation was inconclusive as to whether cooking appliances should be further sub-segmented into hobs, cookers, and ovens. Nonetheless, the Parties provided market data separately for the possible segments of cooking appliances.

(19) As regards the potential sub-segmentation between built-in and freestanding MDA, the results of the market investigation confirmed to a certain degree the segmentation between built-in and freestanding appliances.

(20) *Firstly*, with regard to supply-side substitutability, most manufacturers of MDA produce both freestanding and built-in appliances.[17] In that respect, one competitor of the Parties explained that "*all or almost all of MDA producers manufacture both freestanding and built-in MDA*"[18] while a second one confirmed that "*most of the suppliers operating in Europe are active in both* [freestanding and built-in] *MDA*".[19] However, freestanding and built-in MDA are not always produced on the same production line,[20] and manufacturers generally cannot easily switch production lines between built-in and freestanding appliances.[21] As one competitor explained, "[t]*o switch a production line between built-in and freestanding products thus requires significant investments because the structure of the products is completely different*".[22] Another competitor further explained that: "[w]*e use different production lines with different production facilities in different countries*".[23]

(21) *Secondly*, with regard to demand-side substitutability, the majority of customers having expressed their view considered that built-in and freestanding appliances are not substitutable for customers.[24] One market participant for example stated that "*freestanding and built-in MDA are mainly completely separate products, as the consumer cannot replace one with the other, if one is not available*".[25] Another market participant explained that "*consumers do not regard free-standing MDA as being directly substitutable with built-in MDA in most cases. For example, typically an* […] *consumer will replace a built-in appliance with another built-in appliance, and vice-versa".* [26] Furthermore, according to the data provided by the Parties, there seems to be a large price difference between built-in and freestanding MDA.[27] One customer explained that, since built-in MDA is more complicated to be installed, it tends to be more expensive.[28] Another customer explained that the substitutability might also depend on the specific MDA category*: "built-in and freestanding MDA can be substitutable from the consumer's perspective depending on the price and the*

16 Replies to 01 – Questionnaire to customers Romania, question C.1; Replies to 03 – Questionnaire to customers Ireland, question C.1; Replies to 05 – Questionnaire to EEA customers, question C.1; and Replies to 02 – Questionnaire to Competitors, question C.1.
17 Replies to 02 – Questionnaire to Competitors, B.4.
18 Non-confidential minutes of a call with a competitor, 30 June 2023, paragraph 13.
19 Non-confidential minutes of a call with a competitor, 22 June 2023, paragraph 6.
20 Non-confidential minutes of a call with a competitor, 30 June 2023, paragraph 5.
21 Replies to 02 – Questionnaire to Competitors, C.6.
22 Non-confidential minutes of a call with a competitor, 22 June 2023, paragraph 6.
23 Replies to 02 – Questionnaire to Competitors, C.3.
24 Replies to 05 – Questionnaire to EEA customers, question C.5
25 Non-confidential minutes of a call with a customer, 30 May 2023, paragraph 8.
26 Non-confidential minutes of a call with a customer, 16 June 2023, paragraph 6.
27 Form CO p. 62.
28 Non-confidential minutes of a call with a customer, 12 June 2023, paragraph 10.

MDA category (especially washing machines, dryers and refrigerators). Built-in products are more popular in the kitchen category, and especially if this is a replacement product". [29]

(22) As regards the potential sub-segmentation between smart/connected and non-connected MDA, the results of the market investigation confirmed that smart/connected appliances and non-connected appliances could be part of the same market. In line with precedents,[30] a majority of competitors expressed the view that all major MDA producers are able to produce connected devices.[31] Customers added that while connected appliances seem to be a "nice to have" feature it does not drive customers' purchasing decisions.[32] In that respect, one large customer explained: "[t]*he added value of connected devices is thus small. Therefore, it does not play a role in consumer's choice today, and it will not in the short term, but rather in a minimum of 10-20 years*".[33]

(23) In light of the results of the market investigation, the Commission overall considers, that for the purposes of this decision, both smart/connected and non-connected DMA, belong to the same relevant market.

4.1.1.4. Conclusion on the product market definition

(24) The Commission concludes that for the purpose of this decision the exact definition of the relevant product market can be left open, as far as the distinction between into built-in and freestanding appliances is concerned, as the Transaction does not raise serious doubts on the basis of any plausible definition of the relevant product market. Therefore, for the purpose of the decision, the Commission will conduct its competitive assessment on the basis of each separate MDA category, further segmented into built-in and freestanding appliances.

4.1.2. Geographic market definition

4.1.2.1. The Commission's past practice

(25) In previous decisions, the Commission has left open whether the markets for the manufacture and supply of MDAs are EEA-wide or national in scope.[34] In one of its previous decisions, the Commission noted that "*the markets have national characteristics with regard to all MDA categories with references to different consumer consumption habits and brand positioning between Member States*",[35] although the exact geographic market definition was ultimately left open. In another previous decision, the Commission considered that the market investigation pointed

29 Non-confidential minutes of a call with a customer, 21 June 2023, paragraph 6.
30 Commission decision of 12 December 2018 in Case COMP/M.9139 – Haier/Candy, para 12.
31 Replies to 02 – Questionnaire to Competitors, C12.
32 E.g. minutes of a call with a customer, 7 June 2023, paragraph 8, minutes of a call with a customer, 16 June 2023, paragraph 8.
33 Non-confidential minutes of a call with a customer, 16 June 2023, paragraph 8.
34 Commission decision of 4 March 2002 in Case COMP/M.2703 – Merloni/GE/GDA JV, paras 17-19; Commission decision of 7 July 2010 in Case COMP/M.5859 – Whirlpool/Privileg Rights, paras 13-16; Commission decision of 19 November 2012 in Case COMP/ M.6717 – Whirlpool/Alno, paras 16-19; Commission decision of 13 October 2014 in Case COMP/M.7366 – Whirlpool/Indesit, paras 22-25; Commission decision of 12 December 2018 in Case COMP/M.9139 – Haier/Candy, paras 14-16.
35 Case COMP/M.7366 – Whirlpool/Indesit, para 24.

"*towards the existence of national markets*",[36] but ultimately the exact geographic market definition was left open.

4.1.2.2. The Notifying Party's view

(26) The Notifying Party argues that the markets for the manufacture and supply of MDAs are EEA-wide due to (i) the presence of MDA manufacturers across Europe; (ii) the lack of meaningful barriers to entry or expansion; (iii) a centralised manufacturing; (iv) the significant level of imports into the EEA to serve all hypothetical national markets; (v) the little product differentiation across Europe; (vi) the presence of large retail customers across Europe; (vii) customer purchases being managed at the European level; (viii) the Parties' strategies being decided at the European level; (ix) and the market shares at the hypothetical national level not being informative of the Parties' competitive strength.

4.1.2.3. The Commission's assessment

(27) The results of the market investigation did not support the Notifying Party's submission. Based on the results of the market investigation, it appears that the markets for the manufacture and supply of MDAs are most likely national in scope.

(28) At the supply level, the Commission's market investigation has revealed that MDA manufacturers are present across the EEA and their production is centralised to a few locations. For example, the Target's production plants serve the whole EEA from Italy, Poland, Slovakia, and the United Kingdom. Each production plant produces one or two MDA categories, and each production plant ships its products across the EEA. Similarly, Arçelik ships MDA all across the EEA from its Turkish and Romanian plants, with no manufacturing presence in any other EEA country. This has further been confirmed by market participants, with competitors generally reporting having one or two production plants per MDA category, from where they ship their MDA all over the EEA.[37]

(29) Nevertheless, the market investigation confirmed that the demand patterns for MDAs are very clearly national in scope, for several reasons.

(30) *Firstly*, on the demand side, while there are some large customers who have stores across large parts of the EEA, most customers tend to be active at most in two or three countries, with many active in only one country.[38] Furthermore, market participants have generally confirmed that prices for MDA are negotiated and set at national level.[39] As one market participant explained, "[w]*e have separate agreements for each country. Suppliers have separate organisation in each country*". The fact that these negotiations take place at a national level is fully reflected by the fact that there exist significant price differences between EEA countries. Internal data from the Parties show significant price variations among EEA countries, for

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36 Case COMP/ M.6717 – Whirlpool/Alno, para 18.

37 Replies to 02 – Questionnaire to Competitors, question D.1.

38 Replies to 01 – Questionnaire to Customers Romania, question B.1; 03 – Questionnaire to Customers Ireland, question B.1; 04 – Questionnaire to Customers Italy, question B.1; 05 – Questionnaire to EEA customers, question D.1

39 Replies to 01 – Questionnaire to Customers Romania, question D.1; 03 – Questionnaire to Customers Ireland, question D.1; 04 – Questionnaire to Customers Italy, question D.1; 05 – Questionnaire to EEA customers, question D.1

similar MDA models. For example, for washing machines, internal data from the Target shows that prices among EEA countries can vary as much as […]% from the average price.[40] Data from the Notifying Party also shows similarly large price variations among EEA countries.[41] This was further confirmed by the market investigation, in which a majority of market participants indicated that wholesale prices of MDA are not similar across the various EEA countries.[42]

(31) *Secondly,* it seems that, while MDAs are manufactured at EEA level, local (direct or indirect) presence is important to drive MDA sales. As one customer explained, "[w]*hen the producer is establishing a local presence, it has a better understanding of the market*".[43]

(32) *Thirdly*, the market investigation has revealed (i) the importance of brands for the purchasing patterns of final customers and (ii) that brands have varying importance from country to country. For example, one market participant highlighted: "*MDA are long-lasting products (i.e., a life cycle of 10-20 years for MDA) and customers thus tend to turn more to brands which they know and trust*".[44] Furthermore, brand positioning is not homogeneous from country to country. Some brands have a higher positioning in some countries, while being much less important in other countries. This can be due, for example, to "legacy" brand image. One customer stated the following: "*brands in the MDA sector are fundamental, some brands are historical*".[45] Other brands face similar constraints: for example, one customer explains that: "[brand] *is a very strong brand in Germany, BENELUX, or Austria, but not so strong in turnover in Spain or Italy*".[46]

(33) These local preferences are fully known to MDA manufacturers. [Information relating to the Parties' marketing strategy and data].[47] [Information relating to the Parties' marketing strategy and data],[48] [information relating to the Parties' marketing strategy and data].[49] [Information relating to the Parties' marketing strategy and data].[50] A majority of competitors have also confirmed that their marketing campaigns are organised and conducted nationally.[51]

(34) *Fourthly*, the national scope of the markets is fully reflected in the Parties' and their competitors' market shares, which show large variations among EEA countries. For example, the Parties' combined MDA market shares in Germany, where, according to a market participant, "[G]*erman brands are based there and have a strong reputation, with many* [G]*erman consumers preferring* [G]*erman brands*",[52] are

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40 Form CO, Section 8, Annex 36. Price data is for the Target's three best-selling MDA models per MDA category.

41 Form CO, Section 8, Annex 35.

42 Replies to 01 – Questionnaire to Customers Romania, question D.8; 03 – Questionnaire to Customers Ireland, question D.8; 04 – Questionnaire to Customers Italy, question D.8; 05 – Questionnaire to EEA customers, question D.10; 02 – Questionnaire to Competitors, question D.5

43 Minutes of a call held with a customer on 15 June 2023, para 6.

44 Minutes of a call held with a customer on 30 May 2023, para 6.

45 Minutes of a call held with a customer on 24 July 2023, para 9.

46 Minutes of a call held with a customer on 12 July 2023, para 8.

47 E.g. Form CO – Section 1 – Annexes 51 to 56.

48 E.g. Form CO – Section 1 – Annex 92.

49 Form CO, figures 94 and 95.

50 Reply to question 19 of RFI 3.

51 02 – Questionnaire to Competitors, question D.10.

52 Minutes of a call held with a competitor on 22 June 2023, para 11.

always below 20%. In Romania, however, the Parties' combined market shares are significantly higher,[53] in part due to the legacy position of the Notifying Party's Arctic brand.[54]

4.1.2.4. Conclusion on the geographic market definition

(35) Nevertheless, as the Transaction does not give rise to serious doubts under all plausible geographic market definitions (i.e. EEA or national), it is not necessary to conclude on the exact scope of the geographic market.

5. COMPETITIVE ASSESSMENT

5.1. Introduction

5.1.1. Overview of the MDA industry in the EEA

(36) The MDA industry in the EEA is characterised by a number of suppliers who manufacture and sell MDA across the EEA and many customers that tend to be active in only one or a few EEA countries. Furthermore, as shown in Section 4.1.2.3 above, brand preferences vary among EEA countries. Therefore, while suppliers tend to be active across the EEA, their relative market power in each country can vary significantly (see paragraph (34) above).

(37) *On the demand side,* MDA is sold to customers, such as retailers (e.g., MediaMarktSaturn, Conforama, Fnac-Darty) and wholesalers (e.g., Metro, Expert, etc.). These customers then sell these MDA to the final consumer, either as a stand-alone sale, or as a part of a larger service, as would the be case of, for example, for kitchen manufacturers. As outlined in paragraph (30) above, some customers are active in all or most EEA countries, but most are active in only a few or one EEA country. Some retailers also purchase MDA via buying groups such as Expert or Euronics, allowing them to group purchases and therefore possibly receive more advantageous procurement terms due to scale.

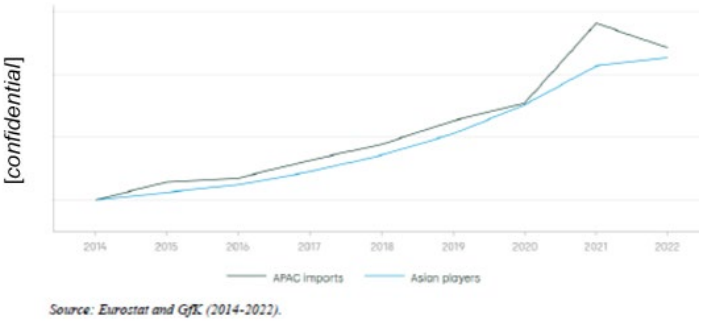
(38) *On the supply side*, the MDA industry tends to be relatively fragmented, with numerous suppliers present in every EEA country. A majority of customers have indicated that they source from, and have access to, multiple suppliers for most MDA categories, price points,[55] and EEA countries.[56] Furthermore, while competitors have varying market shares between EEA countries, there seem to be at least 15 suppliers active in all or most EEA countries,[57] such as for example Electrolux, Bosch-Siemens Hausgeräte ('BSH'), Miele, Haier, Samsung, Hisense, Vestel, and others.[58] One competitor of the Parties confirmed: "*the MDA market is fragmented*",[59] which is in line with Commission's findings in previous cases. For

53 See Table 20 – Romania (2022).
54 Minutes of a call held with a customer on 2 June 2023, para 12.
55 While there does not exist an industry-wide standard definition of price points or bands, for the purposes of this decision the Commission has retained the definition of the GfK prices bands: "Good" (0-90% price index), "Better" (90-110% price index), Best (110-130% price index), and "Premium" (over 130% price index).
56 See Section 5.2.2The Commission's assessment
57 M.11086 - Section 7 - Annex 216.
58 Source: Form CO, pages 126-130.
59 Minutes of a call held with a competitor, 22 June 2023, paragraph 13.

example, the Commission previously found that "[r]*espondents to the Commission's market investigation shared the Parties' view that the landscape of the European MDA industry is both highly competitive and highly fragmented, comprising a number of aggressive EU and non-EU based competitors*".[60]

(39) Furthermore, the MDA industry has in recent years been characterised by the entry of a number of new competitors in the EEA. These players are mainly companies from the Asia – Pacific region, such as Hisense, Haier, and others. The figure below shows the growth of the sales of Asian players, as well as of their imports into the EEA.[61]

Figure 1 – Evolution of Asian players' sales and imports of MDA from the APAC region into the EEA (value, 2014-2022).



Source: Eurostat and GfK (2014-2022).

(40) Haier, for example, entered the EEA region in 2018 when it acquired the Italian MDA manufacturer Candy. It further expanded its presence in the EEA by opening a refrigerator factory in Romania in December 2021.[62] According to public statements made by Haier executives, Haier's European revenues grew year-on-year by 20% between 2020 and 2021.[63] Hisense similarly purchased the Slovenian manufacturer Gorenje in 2018. According to the Notifying Party, Hisense has more than doubled its market shares in every MDA category in the last several years.[64] One market participant confirmed: "*there is a significant trend of Asian players increasing their market shares in the EEA*".[65] Another market participant explained: "[a]*nother aggressive player has recently been Hisense, who is offering lower prices*".[66]

(41) The expansion of these Asian players seems to have been aided by their cost advantage in manufacturing. Internal documents from the Target, for example, [information relating to Target's internal competitive assessment].[67] The aggressive price positioning of some Asian players has been confirmed by market participants in the Commission's market investigation. For example, a competitor of the Parties

60 Case COMP/M.9139 – Haier/Candy, para 32.
61 Source: form CO, page 143.
62 See: https://corporate.haier-europe.com/press-release/haier-started-production-in-its-brand-new-iot-industry-4-0-cooling-plant-in-romania/.
63 M.11086 – Credible Alternatives White Paper, submitted on 20.09.2023, page 3.
64 M.11086 – Credible Alternatives White Paper, submitted on 20.09.2023, page 4.
65 Minutes of a call held with a competitor, 30 June 2023, paragraph 11.
66 Minutes of a call held with a competitor, 14 June 2023, paragraph 23.
67 M.11086 – Form CO – Section 5.4 – Annex 84 – Confidential, slides 3 and 15.

outlined: "[t]*hey* [the Asian players] *are ready to invest a lot in the beginning to gain volume*".[68] Another market participant explained that it was facing "*strong competition from Asian producers in the EEA, such as LG, Samsung, Hisense and Midea*".[69]

(42) Finally, it would appear that, at least in the lower-price segments, competition in the EEA is quite fierce, which has led to low profit margins in this segment. As one competitor has explained, "*in the current context of a negative market trend combined with an increased competition coming from low-end and Asian brands, it is becoming more difficult to be competitive and tend to become a price taker*".[70] This increased competition leads to pressure on profit margins for MDA manufacturers, which has been confirmed by the Parties' [information relating to Parties' profit margins]. For example, for its EEA business, the Notifying Party in 2022 had positive profit margins for [information relating to margin data] MDA products: [information relating to margin data]. For the Target, [information relating to margin data].[71] As an illustrative example, in its assessment at national level for Italy, the Target also identified as a threat to the company "[information relating to Target's internal competitive assessment]".[72]

5.1.2. Transaction rationale

(43) Based on internal documents of the Target, the considerations outlined in Section 5.1.1 above [information relating to Target's market position and profitability] were at the heart of the Transaction rationale, at least on Whirlpool's side.

(44) [Information relating to Target's profit margins]. According to its Q4 2022 quarterly report: "[i]*n North America, we expect to deliver full year margins of approximately 12%, with the region exiting the year with margins of approximately 14%. We expect EMEA to deliver approximately 2.5% margins*".[73] It would therefore appear that the relatively high market shares that the Target has in some EEA countries and MDA products, as assessed more in detail in Section 5.2.2 below, are not indicative of market power, [information relating to Target's pricing strategy].[74] The figures below illustrate the […] profitability of both of the Parties with regards to MDA in the EEA.

Figure 2: Notifying Party profitability metrics, EEA, 2022

[…]

Source: M.11086 – Section 8 – Annex 83

Figure 3: Target profitability metrics, EEA, 2022

[…]

Source: M.11086 – Section 8 – Annex 84

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68 Minutes of a call held with a competitor, 30 June 2023, paragraph 11.
69 Minutes of a call held with a competitor, 14 June 2023, paragraph 16.
70 Replies to 02 – Questionnaire to Competitors, question E.A.7.
71 M.11086 - Section 8 - Annex 83 and 84.
72 Form CO – Section 7 – Annex 133, slide 4.
73 See https://s202.q4cdn.com/229739679/files/doc_financials/2022/q4/Q4-2022-Transcript.pdf, page 7.
74 M.11086 – Section 8 – Annexes 83 and 84.

(45) According to the Parties, [information relating to the Target's financial position] the Target operates at a loss overall [information relating to the Target's financial position]. This led to Whirlpool conducting a strategic review of its EMEA MDA activity and concluding that selling its EMEA MDA business would be the most viable option for the business, rather than attempting a restructuring of the business.[75] [Information relating to the Target's financial position].[76]

(46) For Arçelik, the Transaction presents an opportunity to grow its EMEA business. [Information relating to the Notifying Party's business strategy].[77] Indeed, the Notifying Party recognised in internal documents that the Target [information relating to the Notifying Party's business strategy].[78] Another document analysing Whirlpool's market shares outlined: "[information relating to the Notifying Party's business strategy]".[79] With regards to the Target's [relating to the Notifying Party's business strategy]profitability [information relating to the Notifying Party's business strategy]".[80]

(47) Paragraphs (43) and (46) above outline a situation in which the Target was unable to stay competitive in the EEA and was losing market shares. [Information relating to Arçelik's transaction rationale], Arçelik's rationale for acquiring the Target [information relating to Arçelik's transaction rationale].[81] [Information relating to margin data].[82] According to the Notifying Party, the fact that [information relating to transaction negotiations].[83]

5.2. Manufacture and supply of MDA

5.2.1. The Notifying Party's views

(48) The Notifying Party argues that the Transaction will not raise serious doubts as to its compatibility with the internal market, for the following reasons. Firstly, the MDA landscape is highly competitive and fragmented, with at least ten competitors and dozens of brands active across all MDA categories. Secondly, the Parties are not unique competitive constraints on one another, and neither own any "must-have" brands. Thirdly, the Parties' customers are powerful, and decide which products will be presented to the final customers. According to the Parties, if any of the Parties were to no longer offer competitive terms, retailers would reallocate floor space to their competitors. Fourthly, there are low barriers to entry and expansion, as evidenced, according to the Notifying Party, by the growth of Asian competitors in the EEA.[84]

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75 See https://s202.q4cdn.com/229739679/files/doc_financials/2022/q3/Q3-2022-Earnings-Call-Transcript.pdf, page 7

76 M.11086 – Section 5.4 – Annex 7, page 6.

77 M.11086 – Section 5.4 – Annex 2, pages 20-21.

78 M.11086 – Section 5.4 – Annex 10, page 10.

79 M.11086 – Section 5.4 – Annex 2, page 5.

80 M.11086 – Section 5.4 – Annex 10, page 10.

81 M.11086 – Section 5.4 – Annex 14, page 5.

82 M.11086 – Section 5.4 – Annex 11, page 35.

83 Form CO, paragraph 11.

84 Form CO, paragraph 25.

5.2.2. The Commission's assessment

(49) The Parties' activities overlap horizontally in the manufacture and supply of MDA products in the EEA.

(50) At an EEA-wide level, the Transaction gives rise to the following affected markets: freestanding dishwashers ([20-30]%), washing machines ([20-30]%), built-in washing machines ([20-30]%), and freestanding washing machines ([20-30]%). The affected markets at an EEA level will be assessed in Section (49) below.

(51) At a national level, the Transaction gives rise to affected markets across different MDA product markets, and potential respective sub-segments, in the following EEA countries: Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, France, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Norway, Poland, Portugal, Romania, Slovakia, and Slovenia. In most EEA countries, market shares tend to remain below 35%, with multiple players remaining post-Transaction. The nationally affected markets will be assessed in sections (49) to 5.2.2.22 below.[85]

5.2.2.1. EEA

(52) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in the EEA:

Table 1- EEA(2022)

Category / *potential sub-segment*	**Market share (%) – volume**			**Market share (%) – value**		
	Arçelik	**Target**	**Combined**	**Arçelik**	**Target**	**Combined**
All MDA[86]	[5-10]%	[10-20]%	**[10-20]%**	[5-10]%	[5-10]%	**[10-20]%**
FS Dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Washing machines	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
BI washing machines	[10-20]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
FS Washing machines	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**

Form CO, Section 6 - Annex 140.

(53) The MDA landscape in the EEA is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume). The

[85] It should be noted that the Transaction also results in overlaps for a number of additional markets (horizontally: warming drawers, air conditioners; vertically: refrigeration compressors, electric motors, and drain and circulation pumps – which serve as inputs for different categories of MDA). However, these overlaps do not give rise to affected markets as a result of the application of the Notice on Simplified Procedure.

[86] All MDA refers to aggregation of market data across the MDA categories washing machines, refrigerators, cooking appliances, dryers, dishwashers, freezers, microwave ovens, hobs, and hoods; unless specified otherwise.

Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA. These include BSH (approx. [10-20]% in volume), Electrolux (approx. [5-10]% in volume), Samsung (approx. [5-10]% in volume), Hisense (approx. [0-5]% in volume), and LG (approx. [0-5]% in volume).

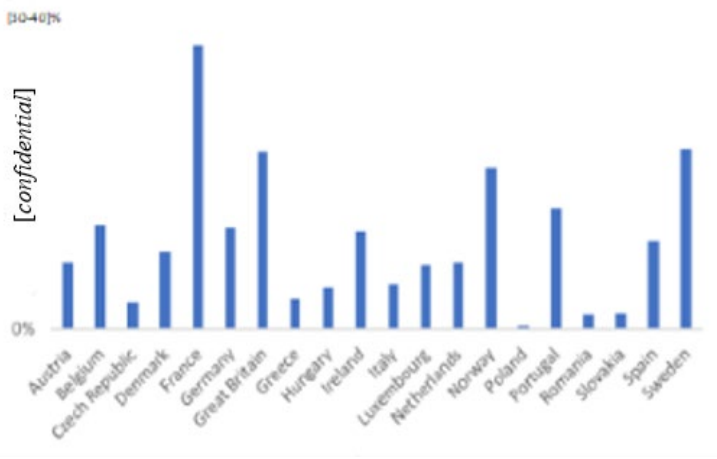
(54) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[87] and hence able to limit the merged entity in any attempts at increasing prices.

(55) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of any of the relevant MDA categories and potential sub-segments in the EEA.

(56) *Firstly*, the merged entity's combined market share in the EEA is below 30% for all plausibly affected markets.[88]

(57) *Secondly*, the combined entity will continue to be constrained by numerous suppliers in all MDA categories and price points in the EEA. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors, as well as Haier and Amica.[89] Indeed, for each of the plausibly affected markets arising in the EEA from the Transaction, at least four large competitors indicated having spare capacity to serve these markets.[90] Furthermore, as a further constraint to the Parties, and as shown in the figure below, the Parties will continue to be constrained by private label brands, whose importance vary depending on the EEA country.[91]

Figure 4 – Market shares of Private Labels, 2022, volume-based (%)



Source: M.11086 - Section 7 - Annex 216.

87 Replies to 02 - Questionnaire to competitors, question E.B.1.
88 Form CO, Section 6 - Annex 140.
89 Form CO, Section 6 - Annex 140.
90 Replies to 02 – Questionnaire to Competitors, question E.B.3.
91 M.11086 - Section 7 - Annex 216.

(58) *Thirdly*, the majority of respondents (both competitors and customers) to the Commission's market investigation confirmed that customers would be able to switch suppliers across MDA categories in every single EEA country.[92] As one competitor explained: "*Many options for customers are existing in our line of business in a saturated market*".[93]

(59) *Fourthly*, a majority of customers having expressed their opinion confirmed that Arçelik and the Target are not closer competitors between themselves compared to other alternative suppliers in relation to any particular MDA category, for any EEA country.[94] Therefore, the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. Indeed, a majority of market participants confirmed that neither Arçelik nor Whirlpool have any must-have brands in their portfolio.[95] As one competitor explained: "[t]*hey are both generalist producers who have types of fungible products that are easily available from other brands*".[96]

(60) *Fifthly,* and as shown in Section 5.1.1 above, the MDA industry in the EEA is quite fragmented, and entry and/or expansion by new players such as Haier or Hisense has happened in the past few years. Indeed, both imports and sales by foreign competitors have increased in the last few years.[97]

(61) Finally, customers active in the EEA did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in the EEA.[98]

5.2.2.2. Belgium

(62) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Belgium:

Table 2 - Belgium (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	**Target**	**Combined**	**Arçelik**	**Target**	**Combined**
All MDA	[5-10]%	[5-10]%	**[10-20]%**	[5-10]%	[5-10]%	**[10-20]%**
Freestanding cooking appliances	[20-30]%	[0-5]%	**[20-30]%**	[10-20]%	[0-5]%	**[10-20]%**
Cookers	[20-30]%	[0-5]%	**[20-30]%**	[10-20]%	[0-5]%	**[10-20]%**
Freestanding dishwashers	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[10-20]%	**[30-40]%**

Form CO, Section 6 - Annex 140; response to RFI 17 - Q2.

92 Replies to 01 – Questionnaire to Customers in Romania, question E.B.4; replies to 03 – Questionnaire to Customers in Ireland, question E.B.4; replies to 04 – Questionnaire to Customers in Italy, question E.B.4; replies to 05 – Questionnaire to EEA customers, questions F.A to F.S. 5.

93 Replies to 02 – Questionnaire to Competitors, question E.A.6.

94 Replies to 01 – Questionnaire to Customers in Romania, question E.D.3; replies to 03 – Questionnaire to Customers in Ireland, question E.D.3; replies to 04 – Questionnaire to Customers in Italy, question E.D.3; replies to 05 – Questionnaire to EEA customers, questions F.A to F.S. 9.

95 Replies to 01 – Questionnaire to Customers in Romania, question E.D.1; replies to 03 – Questionnaire to Customers in Ireland, question E.D.1; replies to 04 – Questionnaire to Customers in Italy, question E.D.1; replies to 05 – Questionnaire to EEA customers, questions F.A to F.S. 7.

96 Replies to 02 - Questionnaire to Competitors, question E.C.2.

97 See figure above.

98 Replies to 05 - Questionnaire to EEA customers, question F.R.14.

(63) The MDA landscape in Belgium is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume). The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories, with spare capacity to serve customers in the EEA, i.e. including in Belgium.[99] These notably include some of the following MDA suppliers who are active in Belgium (market shares at all MDA level for 2022): BSH ([10-20]% in volume, and [20-30]% in value), Electrolux ([20-30]% in volume, and [20-30]% in value), Samsung ([10-20]% in volume, and [5-10]% in value), and Miele ([5-10]% in volume, and [10-20]% in value).[100] The merged entity will also continue to be constrained by private label offering which represents more than 15% in terms of volume across the relevant MDA categories and potential sub-segments in Belgium.[101]

(64) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[102] and hence able to limit the merged entity in any attempts at increasing prices.

(65) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Belgium, listed in Table 2 above. The merged entity's combined market share in Belgium is below 30% in respect of cookers and the potential sub-segment for freestanding cooking appliances (both in terms of volume and value)[103] and the Transaction brings about only a limited increment of less than [0-5]% in terms of market share (in volume and value). The merged entity's combined market share in Belgium in respect of freestanding dishwashers is comparatively higher but remains well below 40% with numerous suppliers being available in Belgium (e.g. BSH, Miele, and Electrolux).[104] Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as De Longhi, Middleby, and Haier.[105] Some of these players have a local presence in Belgium (or neighbouring country)[106] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[107] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands Bosch, AEG, Candy, Samsung, Zanussi, Electrolux, Gorenje, and LG.[108] Moreover, the majority of respondents confirmed that they are easily able to switch suppliers across MDA categories in Belgium.[109] In addition, Arçelik and the Target are not closer

99 Replies to 02 - Questionnaire to competitors, question E.B.1; response to RFI 17 - Q3.
100 Response to RFI 17 - Q2.
101 Form CO, Section 6 - Annex 140.
102 Replies to 02 - Questionnaire to competitors, question E.B.1.
103 Form CO, Section 6 - Annex 140.
104 Form CO, Section 6 - Annex 140.
105 Form CO, Section 6 - Annex 140; response to RFI 17 - Q3.
106 Form CO, Section 8 - Annex 1.
107 Replies to 02 - Questionnaire to competitors, question E.B.1.
108 Replies to 05 - Questionnaire to EEA customers (customers in Belgium), questions F.B.5 and F.B.11.
109 Replies to 05 - Questionnaire to EEA customers (customers in Belgium), question F.B.3.

competitors between themselves compared to other alternative suppliers in relation to any particular MDA category in Belgium.[110] Thus, the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. Finally, customers active in Belgium did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Belgium.[111]

5.2.2.3. Bulgaria

(66) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Bulgaria:

Table 3 - Bulgaria (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value[112]		
	Arçelik	**Target**	**Combined**	**Arçelik**	**Target**	**Combined**
All MDA	[5-10]%	[5-10]%	**[10-20]%**	[5-10]%	[5-10]%	**[10-20]%**
Dishwashers	[10-20]%	[10-20]%	**[30-40]%**	[5-10]%	[10-20]%	**[20-30]%**
Built-in dishwashers	[5-10]%	[10-20]%	**[20-30]%**	*Not available*	*Not available*	*Not available*
Freestanding dishwashers	[10-20]%	[20-30]%	**[40-50]%**	*Not available*	*Not available*	*Not available*
Washing machines	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**

Form CO, paragraphs 409, Tables 60 and 61; Form CO, Section 6 - Annex 105; response to RFI 17 - Q2.

(67) The MDA landscape in Bulgaria is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume). The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA, i.e. including in Bulgaria.[113] These notably include some of the following MDA suppliers who are active in Bulgaria (market shares at all MDA level for 2022): BSH ([10-20]% in volume, and [10-20]% in value), Hisense ([10-20]% in volume, and [5-10]% in value), Electrolux ([5-10]% in volume, and [5-10]% in value), LG ([5-10]% in volume, and [5-10]% in value), Samsung ([5-10]% in volume, and [5-10]% in value), Haier ([0-5]% in volume, and [0-5]% in value), and Miele ([0-5]% in volume, and [0-5]% in value).[114]

(68) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the

110 Replies to 05 - Questionnaire to EEA customers (customers in Belgium), question F.B.9.
111 Replies to 05 - Questionnaire to EEA customers (customers in Belgium), question F.B.14.
112 Parties' combined market shares in respect of built-in and freestanding dishwashers in terms of value are expected to be lower than in terms of volume; response to RFI 18 - Q1.
113 Replies to 02 - Questionnaire to competitors, question E.B.1.
114 Response to RFI 17 - Q2; Form CO, Section 6 - Annex 105.

MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[115] and hence able to limit the merged entity in any attempts at increasing prices.

(69) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Bulgaria, listed in the Table 3 above. The merged entity's combined market share in Bulgaria is below 40% across MDA categories and potential sub-segments, except for the potential sub-segment of freestanding dishwashers where the Parties' combined market share marginally exceeds 40%.[116]

(70) Despite the higher combined market share in respect of freestanding dishwashers, the major competitors, such as (market shares in terms of volume in 2022) BSH (built-in: [10-20]% and freestanding: [10-20]%), Hisense (built-in: [5-10]% and freestanding: [5-10]%), Electrolux (built-in: [5-10]% and freestanding: [5-10]%), LG (built-in: [5-10]% and freestanding: [5-10]%) and Samsung (built-in: [5-10]% and freestanding: [0-5]%) have a notable market position and are present in both potential sub-segments for built-in and freestanding dishwashers in Bulgaria.[117] Some of these suppliers have spare capacity to serve the EEA, i.e. including Bulgaria.[118] All these competitors already offer the needed freestanding dishwashers and are relatively successful in relation to built-in dishwashers.[119]

(71) Moreover, post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as Teka, and Vestel.[120] Some of these players have a local presence in Bulgaria (or neighbouring country)[121] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[122] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands Gorenje, Candy, Samsung, LG, and Electrolux.[123] Moreover, Arçelik and the Target are not closer competitors between themselves compared to other alternative suppliers in relation to any particular MDA category in Bulgaria.[124] Thus, the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. Finally, customers active in Bulgaria did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Bulgaria.[125]

5.2.2.4. Croatia

(72) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Croatia:

115 Replies to 02 - Questionnaire to competitors, question E.B.1.
116 Form CO, paragraph 409, Tables 60 and 61; Form CO, Section 6 - Annex 105.
117 Form CO, Section 6 - Annex 105.
118 Replies to 02 - Questionnaire to competitors, question E.B.1.
119 Form CO, Section 6 - Annex 105.
120 Form CO, paragraphs 411, and 542; Form CO, Section 6 - Annex 105.
121 Form CO, Section 8 - Annex 1.
122 Replies to 02 - Questionnaire to competitors, question E.B.1.
123 Replies to 05 - Questionnaire to EEA customers (customers in Bulgaria), questions F.C.5 and F.C.11.
124 Replies to 05 - Questionnaire to EEA customers (customers in Bulgaria), question F.C.9.
125 Replies to 05 - Questionnaire to EEA customers (customers in Bulgaria), question F.C.14.

Table 4 - Croatia (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA[126]	[10-20]%	[5-10]%	**[10-20]%**	[5-10]%	[5-10]%	**[10-20]%**
Dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Built-in dishwashers	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[10-20]%	**[20-30]%**
Built-in refrigerators	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[10-20]%	**[20-30]%**

Form CO, Section 6 - Annex 140; response to RFI 17 - Q2.

(73) The MDA landscape in Croatia is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA[127] level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume).[128] The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA, i.e. including in Croatia.[129] These notably include some of the following MDA suppliers who are active in Croatia (market shares at all MDA[130] level for 2022): Hisense ([20-30]% in volume, and [20-30]% in value), Končar ([10-20]% in volume, and [5-10]% in value), Haier ([10-20]% in volume, and [5-10]% in value), BSH ([5-10]% in volume, and [10-20]% in value), Electrolux ([5-10]% in volume, and [5-10]% in value), and Samsung ([5-10]% in volume, and [5-10]% in value).[131]

(74) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[132] and hence able to limit the merged entity in any attempts at increasing prices.

(75) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Croatia, listed in Table 4 above. The merged entity's combined market share in Croatia is below 40% in respect of all relevant MDA categories and the potential sub-segments.[133] Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as Miele, Midea, and Liebherr.[134] Some of these players have a local presence in Croatia (or neighbouring

126 In Croatia, all MDA refers to cooking appliances, dishwashers, and refrigerators.
127 In Croatia, all MDA refers to cooking appliances, dishwashers, and refrigerators.
128 Response to RFI 17 - Q2; Form CO, Section 6 - Annex 110.
129 Replies to 02 - Questionnaire to competitors, question E.B.1.
130 In Croatia, all MDA refers to cooking appliances, dishwashers, and refrigerators.
131 Response to RFI 17 - Q2.
132 Replies to 02 - Questionnaire to competitors, question E.B.1.
133 Form CO, Section 6 - Annex 140.
134 Form CO, Section 6 - Annex 140.

country)[135] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[136] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands Gorenje, Electrolux, Končar, Candy, Bosch, LG, Samsung, and AEG.[137] Moreover, Arçelik and the Target are not closer competitors between themselves compared to other alternative suppliers in relation to any particular MDA category in Croatia.[138] Thus, the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. Finally, customers did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Croatia.[139]

5.2.2.5. Czechia

(76) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Czechia:

Table 5 - Czechia (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA	[5-10]%	[5-10]%	**[10-20]%**	[5-10]%	[5-10]%	**[10-20]%**
Dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Freestanding dishwashers	[20-30]%	[10-20]%	**[30-40]%**	[10-20]%	[10-20]%	**[30-40]%**
Built-in refrigerators	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[20-30]%**
Tumble dryers	[20-30]%	[0-5]%	**[20-30]%**	[10-20]%	[0-5]%	**[20-30]%**
Freestanding tumble dryers	[20-30]%	[0-5]%	**[20-30]%**	[10-20]%	[0-5]%	**[20-30]%**
Washing machines	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
Built-in washing machines	[5-10]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**
Freestanding washing machines	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**

Form CO, Section 6 - Annex 140; response to RFI 17 - Q2.

(77) The MDA landscape in Czechia is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume).[140] The Parties will continue to be constrained by numerous established global competitors

135 Form CO, Section 8 - Annex 1.
136 Replies to 02 - Questionnaire to competitors, question E.B.1.
137 Replies to 05 - Questionnaire to EEA customers (customers in Croatia), questions F.D.5 and F.D.11.
138 Replies to 05 - Questionnaire to EEA customers (customers in Croatia), question F.D.9.
139 Replies to 05 - Questionnaire to EEA customers (customers in Croatia), question F.D.14.
140 Response to RFI 17 - Q2; Form CO, Section 6 - Annex 109.

that are active across MDA categories with spare capacity to serve customers in the EEA, i.e. including in Czechia.[141] These notably include some of the following MDA suppliers who are active in Czechia (market shares at all MDA level for 2022): Hisense ([10-20]% in volume, and [10-20]% in value), Electrolux ([10-20]% in volume, and [10-20]% in value), BSH ([5-10]% in volume, and [10-20]% in value), LG ([5-10]% in volume, and [5-10]% in value), Samsung ([5-10]% in volume, and [5-10]% in value), Haier ([5-10]% in volume, and [5-10]% in value), and Philco ([5-10]% in volume, and [5-10]% in value).[142] The merged entity will also continue to be constrained by private label offering which, for instance, in respect of built-in refrigerators represents more than 10% in terms of volume in Czechia.[143]

(78) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[144] and hence able to limit the merged entity in any attempts at increasing prices.

(79) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Czechia, listed in Table 5 above. The merged entity's combined market share in Czechia is below 35% across all MDA categories and potential sub-segments[145] and the Transaction brings about only a limited increment of less than [0-5]% in terms of market share (in volume and value) in respect of tumble dryers and freestanding tumble dryers. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as Amica, and Miele.[146] Some of these players have a local presence in Czechia (or neighbouring country)[147] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[148] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands Bosch, AEG, Samsung, Electrolux, Gorenje, Candy, Midea, Philco, and LG.[149] Moreover, the majority of respondents confirmed that they are easily able to switch suppliers across MDA categories in Czechia.[150] Finally, customers active in Czechia did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Czechia.[151]

141 Replies to 02 - Questionnaire to competitors, question E.B.1.
142 Response to RFI 17 - Q2.
143 Form CO, Section 6 - Annex 140.
144 Replies to 02 - Questionnaire to competitors, question E.B.1.
145 Form CO, Section 6 - Annex 140.
146 Form CO, Section 6 - Annex 140.
147 Form CO, Section 8 - Annex 1.
148 Replies to 02 - Questionnaire to competitors, question E.B.1.
149 Replies to 05 - Questionnaire to EEA customers (customers in Czechia), questions F.E.5 and F.E.11.
150 Replies to 05 - Questionnaire to EEA customers (customers in Czechia), question F.E.3.
151 Replies to 05 - Questionnaire to EEA customers (customers in Czechia), question F.E.14.

5.2.2.6. Denmark

(80) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Denmark:

Table 6 - Denmark (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA[152]	[10-20]%	[5-10]%	**[10-20]%**	[10-20]%	[0-5]%	**[10-20]%**
Freezers	[5-10]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Freestanding freezers	[5-10]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Built-in washing machines	[30-40]%	[0-5]%	**[30-40]%**	[20-30]%	[0-5]%	**[20-30]%**

Form CO, Section 6 - Annex 140; response to RFI 17 - Q2.

(81) The MDA landscape in Denmark is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA[153] level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume). The Transaction gives rise only to a limited increment in terms of market share of below [5-10]%.[154] The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA, i.e. including in Denmark.[155] These notably include some of the following MDA suppliers who are active in Denmark (market shares at all MDA[156] level for 2022): BSH ([20-30]% in volume, and [20-30]% in value), Electrolux ([10-20]% in volume, and [10-20]% in value), Hisense ([5-10]% in volume, and [5-10]% in value), Amica ([5-10]% in volume, and [0-5]% in value), and Samsung ([5-10]% in volume, and [5-10]% in value).[157] The merged entity will also continue to be constrained by private label offering, for instance in respect of freezers and freestanding freezers, which represents more than 15% in terms of volume in Denmark.[158]

(82) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare

152 In Denmark, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, tumble dryers, and washing machines.
153 In Denmark, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, tumble dryers, and washing machines.
154 Response to RFI 17 - Q2; Form CO, Section 6 - Annex 108.
155 Replies to 02 - Questionnaire to competitors, question E.B.1.
156 In Denmark, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, tumble dryers, and washing machines.
157 Response to RFI 17 - Q2.
158 Form CO, Section 6 - Annex 140.

capacity to serve customers in the EEA,[159] and hence able to limit the merged entity in any attempts at increasing prices.

(83) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Denmark, listed in Table 6 above. The merged entity's combined market share in Denmark is below 35% across all MDA categories and potential sub-segments.[160] The Transaction brings about only a limited increment of less than [0-5]% in terms of market share (in volume and value) in respect of built-in washing machines. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as Miele, Vestel, and Liebherr.[161] Some of these players have a local presence in Denmark (or neighbouring country)[162] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[163] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands Electrolux, LG, AEG, Samsung, Gorenje, and Figor.[164] Finally, customers active in Denmark did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Denmark.[165]

5.2.2.7. Estonia

(84) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Estonia:

Table 7 - Estonia (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value[166]		
	Arçelik	**Target**	**Combined**	**Arçelik**	**Target**	**Combined**
All MDA	[5-10]%	[10-20]%	**[10-20]%**	[0-5]%	[5-10]%	**[10-20]%**
Dishwashers	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[10-20]%**
Freestanding dishwashers	[20-30]%	[30-40]%	**[50-60]%**	*Not available*	*Not available*	***Not available***
Refrigerators	[10-20]%	[10-20]%	**[20-30]%**	[5-10]%	[5-10]%	**[10-20]%**
Freestanding refrigerators	[10-20]%	[10-20]%	**[20-30]%**	*Not available*	*Not available*	***Not available***
Washing machines	[5-10]%	[20-30]%	**[20-30]%**	[0-5]%	[10-20]%	**[10-20]%**

Form CO, Table 43, Table 60, Table 61, Table 73; Form CO, Section 6 - Annex 93; response to RFI 17 - Q2.

159 Replies to 02 - Questionnaire to competitors, question E.B.1.
160 Form CO, Section 6 - Annex 140.
161 Form CO, Section 6 - Annex 140.
162 Form CO, Section 8 - Annex 1.
163 Replies to 02 - Questionnaire to competitors, question E.B.1.
164 Replies to 05 - Questionnaire to EEA customers (customers in Denmark), questions F.F.5 and F.F.11.
165 Replies to 05 - Questionnaire to EEA customers (customers in Denmark), question F.F.14.
166 Parties' combined market shares in respect of freestanding refrigerators and freestanding dishwashers in terms of value are expected to be lower than in terms of volume; response to RFI 18 - Q1.

(85) The MDA landscape in Estonia is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume). The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA, i.e. including in Estonia. These notably include some of the following MDA suppliers who are active in Estonia (market shares at all MDA level for 2022): Electrolux ([20-30]% in volume, and [20-30]% in value), Samsung ([10-20]% in volume, and [10-20]% in value), LG ([5-10]% in volume, and [10-20]% in value), BSH ([5-10]% in volume, and [5-10]% in value), and Hisense ([5-10]% in volume, and [5-10]% in value).[167]

(86) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[168] and hence able to limit the merged entity in any attempts at increasing prices.

(87) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Estonia, listed in Table 7 above. The merged entity's combined market share in Estonia is below 30% in respect of all relevant MDA categories and potential sub-segments, except for freestanding dishwashers where the Parties' combined market share exceeds 50% in terms of volume.[169]

(88) Despite the higher combined market share in respect of freestanding dishwashers, the major competitors, such as (market shares in terms of volume in 2022) Electrolux (built-in: [20-30]% and freestanding: [10-20]%), Samsung (built-in: [10-20]% and freestanding: [5-10]%), LG (built-in: [5-10]% and freestanding: [5-10]%), BSH (built-in: [5-10]% and freestanding: [0-5]%) and Hisense (built-in: [5-10]% and freestanding: [0-5]%) will continue to constrain the merged entity.[170] Moreover, some of these competitors have a stronger presence in Estonia's neighbouring country Latvia in relation to freestanding dishwashers, and are in a position to redirect their supplies across border and constrain the merged entity, if need be (market shares in Latvia in terms of volume in 2022), such as Electrolux ([10-20]%), Samsung ([10-20]%), LG ([5-10]%), BSH ([5-10]%), and Hisense ([0-5]%).[171] Some of these suppliers have spare capacity to serve the EEA, i.e. including Estonia.[172] Above that, Asian players (e.g. Hisense, and LG) have been expanding their presence in Estonia in recent past. All these established and Asian competitors already offer the needed freestanding dishwashers and are relatively successful in relation to built-in dishwashers.[173]

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167 Response to RFI 17 - Q2; Form CO, Section 6 - Annex 93.
168 Replies to 02 - Questionnaire to competitors, question E.B.1.
169 Form CO, Table 43, Table 60, Table 61, Table 73; Form CO, Section 6 - Annex 93.
170 Form CO, Section 6 - Annex 93.
171 Response to RFI 17 - Q3.
172 Replies to 02 - Questionnaire to competitors, question E.B.1.
173 Form CO, Section 6 - Annex 93.

(89) Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as Hisense, and Berk.[174] Some of these players have a local presence in Estonia (or neighbouring country)[175] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[176] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands Bosch, AEG, Candy, Samsung, Zanussi, Electrolux, Gorenje, and LG.[177] Moreover, Arçelik and the Target are not closer competitors between themselves compared to other alternative suppliers in relation to any particular MDA category in Estonia.[178] Thus, the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. Finally, customers active in Estonia did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Estonia.[179]

5.2.2.8. France

(90) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in France:

Table 8 - France (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA	[5-10]%	[10-20]%	**[10-20]%**	[5-10]%	[10-20]%	**[20-30]%**
Built-in ovens	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
Dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
Built-in dishwashers	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[20-30]%**
Freestanding dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Built-in refrigerators	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[30-40]%**
Washing machines	[0-5]%	[20-30]%	**[20-30]%**	[0-5]%	[20-30]%	**[20-30]%**
Built-in washing machines	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[30-40]%**
Freestanding washing machines	[0-5]%	[20-30]%	**[20-30]%**	[0-5]%	[20-30]%	**[20-30]%**

Form CO, Section 6 - Annex 140; response to RFI 17 - Q2.

174 Form CO, Table 43, Table 60, Table 61, Table 73; Form CO, Section 6 - Annex 93.
175 Form CO, Section 8 - Annex 1.
176 Replies to 02 - Questionnaire to competitors, question E.B.1.
177 Replies to 05 - Questionnaire to EEA customers (customers in Estonia), questions F.G.5 and F.G.11.
178 Replies to 05 - Questionnaire to EEA customers (customers in Estonia), question F.G.9.
179 Replies to 05 - Questionnaire to EEA customers (customers in Estonia), question F.G.14.

(91) The MDA landscape in France is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 21% ([20-30]% in terms of value; and [10-20]% in terms of volume). The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA, i.e. including in France.[180] These notably include some of the following MDA suppliers who are active in France (market shares at all MDA level for 2022): BSH ([5-10]% in volume, and [10-20]% in value), Electrolux ([5-10]% in volume, and [5-10]% in value), Haier ([5-10]% in volume, and [5-10]% in value), Samsung ([5-10]% in volume, and [5-10]% in value), and Brandt ([0-5]% in volume, and [0-5]% in value).[181] The merged entity will also continue to be constrained by private label offering which represents more than 15% in terms of volume in respect of all MDA categories and potential sub-segments in France. The prominence of private label offering has been growing over the past five years in respect of certain affected MDA categories in France, such as in relation to washing machines.[182]

(92) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[183] and hence able to limit the merged entity in any attempts at increasing prices.

(93) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in France, listed in Table 8 above. The merged entity's combined market share in France is below 40% in respect of all relevant MDA categories and the potential sub-segments (both in terms of volume and value).[184] The Transaction brings about only a limited increment of less than [0-5]% in terms of market share (in volume and value) in respect of washing machines and freestanding washing machines. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as LG, Liebherr, and Miele.[185] Most of these players have a local presence in France (or neighbouring country)[186] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[187] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands Bosch, Electrolux, Candy, Samsung, Gorenje, AEG, Zanussi, and LG.[188] Finally, customers active in France did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in France.[189]

180 Replies to 02 - Questionnaire to competitors, question E.B.1.
181 Response to RFI 17 - Q2.
182 Form CO, Section 6 - Annex 140.
183 Replies to 02 - Questionnaire to competitors, question E.B.1.
184 Form CO, Section 6 - Annex 140.
185 Form CO, Section 6 - Annex 140.
186 Form CO, Section 8 - Annex 1.
187 Replies to 02 - Questionnaire to competitors, question E.B.1.
188 Replies to 05 - Questionnaire to EEA customers (customers in France), questions F.H.5 and F.H.11.
189 Replies to 05 - Questionnaire to EEA customers (customers in France), question F.H.14.

5.2.2.9. Greece

(94) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Greece:

Table 9 - Greece (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA[190]	[0-5]%	[10-20]%	**[10-20]%**	[0-5]%	[10-20]%	**[10-20]%**
Built-in refrigerators	[0-5]%	[30-40]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**
Built-in washing machines	[0-5]%	[30-40]%	**[30-40]%**	[0-5]%	[30-40]%	**[30-40]%**

Form CO, Section 6 - Annex 140; response to RFI 17 - Q2.

(95) The MDA landscape in Greece is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA[191] level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume). The Transaction gives rise only to a limited increment in terms of market share of below [0-5]%. The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA, i.e. including in Greece.[192] These notably include some of the following MDA suppliers who are active in Greece (market shares at all MDA[193] level for 2022): BSH ([20-30]% in volume, and [20-30]% in value), LG ([10-20]% in volume, and [10-20]% in value), Haier ([5-10]% in volume, and [5-10]% in value), and Samsung ([5-10]% in volume, and [5-10]% in value).[194]

(96) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[195] and hence able to limit the merged entity in any attempts at increasing prices.

(97) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Greece, listed in Table 9 above. The merged entity's combined market share in Greece is below 40% in respect of all relevant MDA categories and the potential sub-segments (both in terms of volume and value).[196] The Transaction brings about only a limited increment of less than [0-5]% in terms of market share

190 In Greece, all MDA refers to dishwashers, freezers, refrigerators, and washing machines.
191 In Greece, all MDA refers to dishwashers, freezers, refrigerators, and washing machines.
192 Replies to 02 - Questionnaire to competitors, question E.B.1.
193 In Greece, all MDA refers to dishwashers, freezers, refrigerators, and washing machines.
194 Response to RFI 17 - Q2; response to RFI 17 - Q3.
195 Replies to 02 - Questionnaire to competitors, question E.B.1.
196 Form CO, Section 6 - Annex 140.

(in volume and value) in this respect. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as Miele, Hisense, and Sharp.[197] Some of these players have a local presence in Greece (or neighbouring country)[198] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[199] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands AEG, Candy, Samsung, Zanussi, and Bosch.[200] Finally, customers active in Greece did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Greece.[201]

5.2.2.10. Hungary

(98) The Transaction results in affected markets in respect of the following MDA categories, and potential sub-segments, in Hungary:

Table 10 - Hungary (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA[202]	[0-5]%	[10-20]%	**[10-20]%**	[0-5]%	[10-20]%	**[20-30]%**
Dishwashers	[0-5]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[30-40]%**
Built-in dishwashers	[0-5]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**
Freestanding dishwashers	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[30-40]%	**[30-40]%**
Freezers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Freestanding freezers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Built-in refrigerators	[0-5]%	[30-40]%	**[30-40]%**	[0-5]%	[20-30]%	**[30-40]%**
Washing machines	[5-10]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**
Built-in washing machines	[5-10]%	[40-50]%	**[40-50]%**	[0-5]%	[30-40]%	**[40-50]%**
Freestanding washing machines	[5-10]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**

Source: Form CO, Section 6 – Annex 95

197 Form CO, Section 6 - Annex 140; response to RFI 17 - Q3.
198 Form CO, Section 8 - Annex 1.
199 Replies to 02 - Questionnaire to competitors, question E.B.1.
200 Replies to 05 - Questionnaire to EEA customers (customers in Greece), questions F.I.5 and F.I.11.
201 Replies to 05 - Questionnaire to EEA customers (customers in Greece), question F.I.14.
202 In Hungary, all MDA refers to washing machines, refrigerators, cooking appliances, tumble dryers, dishwashers, freezers, microwave ovens, hobs, and hoods.

(99) The Commission notes that the MDA landscape in Hungary is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 20% in terms of volume, and slightly above 20% in terms of value ([10-20]% and [20-30]%, respectively). Arçelik is a small player in Hungary with a rather low share across all MDA categories by value and by volume, while the Target's position on the market has been declining, losing [5-10] percentage points in value shares since 2014. According to a 2021 research report commissioned by Ipsos on behalf of Arçelik "[information relating to Arçelik's internal analysis of the competitive landscape]".[203] The Transaction gives rise only to a limited increment in terms of market share in all MDA of below [0-5]%.

(100) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[204] and hence able to limit the merged entity in any attempts at increasing prices.

(101) In particular, the Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA. These include Electrolux ([10-20]% by volume, [20-30]% by value), Hisense ([10-20]% by volume, [10-20]% by value), Samsung ([5-10]% by volume, [5-10]% by value), BSH ([5-10]% by volume, [10-20]% by value), LG ([0-5]% by volume, [5-10]% by value), Haier ([0-5]% by volume, [0-5]% by value) and other suppliers (including private labels – [10-20]% by volume, [5-10]% by value).[205]

(102) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA markets and potential sub-segments in Hungary.

(103) *First*, the merged entity's combined market share in Hungary is below 35% in respect of almost all MDA categories and potential sub-segments (both in terms of volume and value), and only slightly above 25% (by value) in freezers and the potential sub-segment for freestanding freezers.[206] Given Arçelik's limited presence in the Hungarian market, the Transaction brings about only a limited increment of less than [0-5]% in terms of market share (in volume and value) in most affected product markets and potential sub-segments, and hence will not significantly change the competitive structure of the market. The Commission notes that the merged entity's combined market share in Hungary in respect of built-in washing machines is comparatively higher, exceeding 40%, but the increment brought about by the Transaction is small. Arçelik's share in this sub-segment is only [0-5]% in value, and [5-10]% in volume. Post-Transaction, the Parties will continue to face competition in this sub-segment from the following MDA manufacturers: Electrolux ([30-40]% in volume, [30-40]% in value), Haier ([5-10]% in volume, [5-10]% in value), and private label suppliers ([5-10]% in volume, [5-10]% in value). Moreover, built-in

203 Global Brand Health Study, Form CO - Section 1 - Annex 96, slide 11.
204 Replies to 02 - Questionnaire to competitors, question E.B.1.
205 Replies to RFI 17, Q2; Competitors' market shares are provided at all MDA level, in 2022.
206 Form CO, Section 6 - Annex 95.

washing machines account for less than 1% of washing machines sold in Hungary in 2022. As such, suppliers' shares in built-in washing machines can fluctuate a lot depending on who wins very few contracts given the small size of this potential sub-segment. This is evidenced also by the fluctuations of market players' market shares, e.g. Electrolux had a [40-50]% market share (in terms of volume) in 2019, which fell to [30-40]% in 2020, and further dropped to [30-40]% in 2022.[207]

(104) *Second*, post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors, as well as CNA, Hausmeister, Heinner, Liebherr, Navon, and Sharp.[208] Some of these players have a local presence in Hungary[209] and competitors that expressed a view during the Commission's market investigation confirmed to have sufficient excess spare capacity to expand their presence in the EEA, including in Hungary.[210] Customers active in Hungary were able to identify entrants and competitors in the Hungarian market who have significantly increased their market share during the last five years, mentioning Samsung, LG and Haier, as well as their aggressive marketing strategies.[211]

(105) *Third*, the majority of customers active in Hungary confirmed that they are able to switch suppliers across MDA categories in Hungary.[212] Customers active in Hungary confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction if they could no longer purchase from the Parties.[213] Customers active in Hungary identified Gorenje, Candy, Midea, Samsung and Electrolux as close alternatives to the Parties.[214]

(106) *Finally*, during the Commission's market investigation, no Hungarian customers raised concerns with respect to the impact of the Transaction on the affected MDA markets in Hungary.[215]

5.2.2.11. Ireland

(107) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Ireland:

207 Form CO, Section 6 – Annex 140.
208 Form CO, Section 6 - Annex 95; Replies to RFI 17, Q2.
209 These include: BSH, Electrolux, Candy, Gorenje, LG, and Miele, Form CO, Section 8 - Annex 1.
210 Replies to 02 - Questionnaire to competitors, question E.B.1.
211 Replies to 05 - Questionnaire to EEA customers (customers in Hungary), questions F.J.12 and F.J.13 [Bestbyte] [Extreme Digital – eMAG kft.]; See also Ipsos Global Brand Health Study, Form CO - Section 1 - Annex 96 – Confidential, slide 21: [information relating to the Parties' internal competitive assessment].
212 Replies to 05 - Questionnaire to EEA customers (customers in Hungary), question F.J.3.
213 Replies to 05 - Questionnaire to EEA customers (customers in Hungary), question F.J.5.
214 Replies to 05 - Questionnaire to EEA customers (customers in Hungary), question F.J.11.
215 Replies to 05 - Questionnaire to EEA customers (customers in Hungary), question F.J.14.

Table 11 - Ireland (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA[216]	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[10-20]%	**[20-30]%**
Washing machines	[10-20]%	[20-30]%	**[30-40]%**	[10-20]%	[20-30]%	**[30-40]%**
Freestanding washing machines	[10-20]%	[20-30]%	**[30-40]%**	[10-20]%	[10-20]%	**[30-40]%**
Built-in washing machines	[10-20]%	[40-50]%	**[50-60]%**	[10-20]%	[30-40]%	**[50-60]%**
Tumble dryers	[20-30]%	[20-30]%	**[40-50]%**	[10-20]%	[10-20]%	**[30-40]%**
Freestanding tumble dryers	[20-30]%	[20-30]%	**[40-50]%**	[10-20]%	[10-20]%	**[30-40]%**
Dishwashers	[10-20]%	[20-30]%	**[40-50]%**	[10-20]%	[20-30]%	**[30-40]%**
Freestanding dishwashers	[20-30]%	[20-30]%	**[40-50]%**	[10-20]%	[20-30]%	**[40-50]%**
Built-in dishwashers	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[30-40]%**
Refrigerators	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Freestanding refrigerators	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[5-10]%	**[10-20]%**
Built-in refrigerators	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[30-40]%**
Freezers	[20-30]%	[10-20]%	**[30-40]%**	[20-30]%	[10-20]%	**[30-40]%**
Freestanding freezers	[20-30]%	[10-20]%	**[30-40]%**	[20-30]%	[10-20]%	**[40-50]%**
Built-in freezers	[10-20]%	[10-20]%	**[30-40]%**	[5-10]%	[20-30]%	**[20-30]%**
Freestanding cooking appliances	[20-30]%	[10-20]%	**[30-40]%**	[10-20]%	[5-10]%	**[20-30]%**
Cookers	[20-30]%	[10-20]%	**[30-40]%**	[10-20]%	[5-10]%	**[20-30]%**

Form CO, Section 6 - Annex 140; response to RFI 17 - Q2.

(108) In Ireland, Arçelik is present across the various MDA categories and potential sub-segments giving rise to affected markets with its brands Beko, Blomberg, Flavel, Grundig, and Leisure. The Target serves these affected markets with its brands Whirlpool, Hotpoint, Indesit, and Hotpoint-Aristo.[217] The Parties manufacture the respective products sold in Ireland in their production facilities within and outside the EEA.[218]

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216 In Ireland, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, tumble dryers, and washing machines.

217 Form CO, Tables 112, 113, 115, and 116; Form CO, Section 6 - Annex 58.

218 Form CO, Tables 6 and 7.

(109) In terms of local presence, Arçelik has a branch office in Ireland that [information relating to Arçelik's business organisation in Ireland].[219] The Target has a subsidiary in Ireland with [information relating to Target's business organisation in Ireland].[220] The overall customer base in Ireland (i.e. not merely the Parties' customer base) is not particularly concentrated. Apart from retailers, Euronics and Expert Alliance are two purchasing groups negotiating on behalf of Irish customers.[221]

(110) Arçelik's and the Target's market position in Ireland appears to have remained relatively stable across all affected markets over the past five years.[222] Nonetheless, Whirlpool was expecting its market share in respect of tumble dryers in Ireland [information relating to Target's expected market share]. [Information relating to Target's business strategy].[223]

(111) The MDA landscape in Ireland is competitive and fragmented. The Parties are relatively modest players with a combined market share at all MDA[224] level in 2022 of below 35% ([20-30]% in terms of value; and [30-40]% in terms of volume). The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories, with spare capacity to serve customers in the EEA, i.e. including in Ireland.[225] These notably include some of the following MDA suppliers who are active in Ireland (market shares at all MDA[226] level for 2022): BSH ([10-20]% in volume, and [10-20]% in value), Electrolux ([10-20]% in volume, and [10-20]% in value), Samsung ([5-10]% in volume, and [10-20]% in value), and Haier ([5-10]% in volume, and [5-10]% in value).[227] The merged entity will also continue to be constrained by private label offering which represents more than 5% in terms of volume across the relevant MDA categories and potential sub-segments in Ireland.[228]

(112) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare capacity to serve customers in the EEA,[229] and hence able to limit the merged entity in any attempts at increasing prices.

(113) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories or potential sub-segments in Ireland, listed in Table 11 above.

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219 Form CO, Table 110.
220 Form CO, Table 114.
221 Form CO, Section 6 - Annex 96.
222 Form CO, Section 6 - Annex 140.
223 Form CO, paragraph 1220; Form CO, Section 6 - Annex 96.
224 In Ireland, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, tumble dryers, and washing machines.
225 Replies to 02 - Questionnaire to competitors, question E.B.1; response to RFI 17 - Q3.
226 In Ireland, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, tumble dryers, and washing machines.
227 Response to RFI 17 - Q2.
228 Form CO, Section 6 - Annex 140.
229 Replies to 02 - Questionnaire to competitors, question E.B.1.

(114) *First*, the Parties' combined market shares across the relevant MDA categories and potential sub-segments in Ireland are below 40%, except for tumble dryers, freestanding tumble dryers, dishwashers, freestanding dishwashers, freestanding freezers and built-in washing machines where the Parties' combined market shares exceed 40%. Nonetheless, post-Transaction, the Parties will continue to be constrained by traditional European suppliers, such as BSH, Electrolux, Liebherr, and Miele as well as global suppliers based in Asia, such as Samsung, LG, and Haier.[230] Official GfK data suggests that overall over 18 competitors with 82 brands offer products across MDA categories in Ireland.[231] Several Asian alternative suppliers, such as Haier, LG and TCL have recently entered the Irish market (or launched a new brand) and gained material market shares.[232] Especially, Samsung and Haier have been reinforcing their market position in recent past.[233] LG, and TCL, also have local presence in Ireland in terms of subsidiaries and a distributor. Other players with subsidiaries and even headquarters in Ireland include BSH, Electrolux, Glen Dimplex, Middleby, Midea, Miele, and Samsung.[234]

(115) Specifically, in relation to tumble dryers, the merged entity will continue to face (all market shares for 2022) BSH ([10-20]% in value, and [10-20]% in volume), Haier ([10-20]% in value, and [10-20]% in volume), Samsung ([10-20]% in value, and [5-10]% in volume), Electrolux ([5-10]% in value, and [5-10]% in volume), and Miele ([0-5]% in value, and [0-5]% in volume). The same broadly holds true in respect of freestanding tumble dryers.[235] In respect of dishwashers, the merged entity will continue to be constrained (all market shares for 2022) by BSH ([30-40]% in value, and [20-30]% in volume), Haier ([5-10]% in value, and [0-5]% in volume), Electrolux ([5-10]% in value, and [0-5]% in volume), Miele ([0-5]% in value, and [0-5]% in volume), and Glen Diplex ([0-5]% in value, and [0-5]% in volume). The same broadly holds true in respect of freestanding dishwashers.[236]

(116) As regards freestanding freezers, the merged entity will be constrained (all market shares for 2022) by BSH ([5-10]% in value, and [0-5]% in volume), Glen Dimplex ([5-10]% in value, and [5-10]% in volume), Samsung ([5-10]% in value, and [0-5]% in volume), and Liebherr ([0-5]% in value, and [0-5]% in volume). The merged entity will also continue to be constrained (all market shares for 2022) by private label brands, namely Powerpoint ([5-10]% in value, and [5-10]% in volume), and Nordmende ([0-5]% in value, and [0-5]% in volume).[237]

(117) The Parties' combined market share exceeds 50% only in respect of the potential sub-segment of built-in washing machines in Ireland.[238] This sub-segment is notably very small. Out of the total sales of washing machines in Ireland, sales of built-in washing machines represented in 2022 merely approximately [5-10]% in terms of value and approximately [0-5]% in terms of volume.[239] Consequently, it is likely that the market shares in this potential sub-segment of built-in washing machines are

230 Form CO, Section 6 - Annex 140 and Annex 96.
231 Form CO, Section 6 - Annex 96.
232 Form CO, Section 7 - Annex 168; Form CO, Section 6 - Annex 96.
233 Form CO, Section 5.4 - Annex 81.
234 Response to RFI 16 - Q3.
235 Form CO, Section 6 - Annex 96.
236 Form CO, Section 6 - Annex 96.
237 Form CO, Section 6 - Annex 96.
238 Form CO, Section 6 - Annex 140.
239 Form CO, Section 6 - Annex 140.

volatile and may be affected by singular supply agreements due to the small volume of the market. For instance, virtually almost all of Arçelik's sales of built-in washing machines in Ireland in terms of volume and value were realised with [information relating to Arçelik's customers].[240] [Information relating to Arçelik's customers].

(118) Moreover, despite the higher combined market share in respect of built-in washing machines, the major competitors, such as (market shares in terms of volume for 2022) BSH (built-in: [5-10]% and freestanding: [10-20]%), Electrolux (built-in: [10-20]% and freestanding: [5-10]%), and Haier (built-in: [10-20]% and freestanding: [10-20]%) have a notable market position and are present in both potential sub-segments for built-in and freestanding washing machines in Ireland. Some of these suppliers have spare capacity to serve the EEA, i.e. including Ireland.[241] All these competitors already offer the needed built-in washing machines and are relatively successful in relation to freestanding washing machines.[242]

(119) *Second*, the majority of customers active in Ireland considered that there will remain sufficient alternative suppliers across most MDA categories and potential sub-segments as well as across relevant price points (i.e. value, core, premium, and super premium) post-Transaction.[243] These competitors are able to exercise a competitive constraint on the merged entity. Most of the competitors who expressed a view also confirmed to have excess spare capacity to serve the EEA,[244] which would allow them to easily expand their activities in Ireland.

(120) *Third*, customers can easily switch to alternative suppliers competing with Arçelik and the Target across the MDA categories and potential sub-segments in Ireland.[245] More specifically, the customers listed (i) BSH's brands Bosch, Neff, Siemens, (ii) Electrolux's brands Electrolux, and Zanussi, (iii) Glen Dimplex's brands Belling and Dimplex, (iv) LG's brand LG, as well as (v) Samsung's brand Samsung as credible alternatives to the Parties.[246]

(121) Moreover, Arçelik and the Target typically negotiate contracts with customers [information relating to Arçelik's and Target's customer contracts].[247] Thus, customers are not precluded from switching between various MDA suppliers at any time.

(122) *Fourth*, majority of customers confirmed that Parties are not closer competitors between themselves compared to other alternative suppliers in Ireland.[248] Thus, the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. The Parties compete head-to-head mostly through one retail customer accounting for approximately [10-20]% of MDAs sold in Ireland. This customer accounts for

240 Response to RFI 16 - Q1.
241 Replies to 02 - Questionnaire to competitors, question E.B.1.
242 Form CO, Section 6 - Annex 96.
243 Replies to 03 - Questionnaire to customers Ireland, questions E.C.2, E.C.6 and E.C.8; supported by Replies to 02 - Questionnaire to competitors, questions E.B.7 and E.B.12.
244 Replies to 02 - Questionnaire to competitors, question E.B.1.
245 Replies to 03 - Questionnaire to customers Ireland, question E.B.4; supported by Replies to 02 - Questionnaire to competitors, question E.A.5.
246 Replies to 03 - Questionnaire to customers Ireland, question E.C.1.
247 Response to RFI 16 - Q2.
248 Replies to 03 - Questionnaire to customers Ireland, question E.D.3.

approximately [10-20]% of the Target's and approximately [30-40]% of Arçelik's sales and also considers that the Parties are not closer competitors between themselves compared to others.[249]

(123) *Fifth*, private label brands are established in Ireland and exerting a constraint on the Parties. The largest customers in Ireland offer private label brands across all price segments. These include, for instance, Expert (with brands NordMende and Powerpoint), DID (with brands Thor, NordMende, and Powerpoint), Harvey Norman (with brands NordMende), Currys, PowerCity (with brands NordMende and Powerpoint) and IKEA.[250] The presence of private labels in Ireland is particularly pronounced in relation to freezers where private labels accounted for around one third of the market in terms of volume in the period from 2020 to 2022.[251]

(124) *Finally*, customers active in Ireland did not raise any concerns with respect to the impact of the Transaction on the affected MDA markets and potential sub-segments in Ireland.[252]

5.2.2.12. Italy

(125) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Italy:

Table 12: Italy (2022)[253]

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	**Target**	**Combined**	**Arçelik**	**Target**	**Combined**
All MDA[254]	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[10-20]%	**[20-30]%**
Cooking appliances	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[20-30]%**
Freestanding cooking appliances	[10-20]%	[10-20]%	**[30-40]%**	Not affected		
Built-in cooking appliances	[10-20]%	[20-30]%	**[30-40]**%	[5-10]%	[20-30]%	**[20-30]%**
Cookers	[10-20]%	[10-20]%	**[30-40]%**	Not affected		
Hobs	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[20-30]%**
Ovens	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[30-40]%**

249 Form CO, Section 6 - Annex 96.
250 Partially confirmed by Replies to 03 - Questionnaire to customers Ireland, question E.A.2.
251 Form CO, Section 6 - Annex 96.
252 Replies to 03 - Questionnaire to customers Ireland, questions F.6 and F.9.
253 Form CO, Section 6 - Annex 140.
254 This includes washing machines, refrigerators, cooking appliances, dryers, dishwashers, freezers, microwave ovens, hobs, and hoods.

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
Dishwashers	[10-20]%	[20-30]%	**[30-40]%**	[10-20]%	[20-30]%	**[30-40]%**
Freestanding dishwashers	[20-30]%	[20-30]%	**[40-50]%**	[10-20]%	[20-30]%	**[40-50]%**
Built-in dishwashers	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[30-40]%**
Freezers	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[20-30]%	**[30-40]%**
Freestanding freezers	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[20-30]%	**[30-40]%**
Microwaves	[5-10]%	[20-30]%	**[20-30]%**	[5-10]%	[30-40]%	**[40-50]%**
Freestanding microwaves	Not affected			[0-5]%	[20-30]%	**[30-40]%**
Built-in microwaves	[10-20]%	[40-50]%	**[50-60]%**	[5-10]%	[40-50]%	**[50-60]%**
Refrigerators	[10-20]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]	**[20-30]%**
Built-in refrigerators	[10-20]%	[20-30]%	**[40-50]%**	[10-20]%	[30-40]%	**[40-50]%**
Tumble dryers	[10-20]%	[10-20]%	**[20-30]%**	Not affected		
Freestanding tumble dryers	[10-20]%	[10-20]%	**[20-30]%**	Not affected		
Washing machines	[5-10]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**
Freestanding washing machines	[5-10]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**
Built-in washing machines	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**

Form CO, Section 6 - Annex 140.

(126) Historically, Whirlpool has been strong in Italy where it is present with several known brands, notably Indesit, which it acquired in 2014, Whirlpool and Hotpoint. The products sold in Italy by Whirlpool are manufactured in its four manufacturing sites in Italy and in sites in other EEA countries. Arçelik is present in Italy mainly with its brand Beko. While it has a local sales presence, Arçelik does not manufacture MDA in Italy. Its production plants are located in other EEA countries as well as outside the EEA.[255] The Parties compete in all MDA categories, with most of their sales being achieved in the low- to mid-end price ranges.

(127) When considering the narrowest plausible categories and sub-categories of appliances, the Parties' highest combined market shares are in microwaves ([40-50]% by value) and in the potential sub-categories built-in microwaves ([50-60]% by volume), freestanding dishwashers ([40-50]% by volume) and built-in refrigerators ([40-50]% by volume), as can be seen in Table 12 above.

[255] Form CO, paragraph 270, footnotes 245 and 246 and Tables 6 and 7; M.11086, Section 6 - Annex 97, paragraph 2.

(128) Despite the high combined market shares in several MDA categories, for the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA categories or potential sub-segments in Italy.

(129) *First*, while the Target is the market leader in Italy ([20-30]% volume market share in all MDA in 2022), its market share has been decreasing over the last ten years, by almost [10-20]%-points in all MDA. Similarly, [information relating to Whirlpool's marketing spend].[256] The Target's market share has also declined, although to different extents, in each of the MDA segments in respect of which the Parties' combined market shares are the highest, i.e. in microwaves, built-in microwaves and built-in refrigerators since 2018 and in freestanding dishwashers since 2019.[257]

(130) *Second*, parallel to the Target's decline, according to the Parties' internal documents several Asian alternative suppliers have recently entered the Italian market and gained material market shares.[258] For example, internal documents mention Asian players with their [information relating to the Parties' internal competitive assessment] having entered the Italian market in a [information relating to the Parties' internal competitive assessment],[259] as well as [information relating to the Parties' internal competitive assessment] [260], and [reference to content of internal document submitted by the Parties] [261]. Between 2014 and 2022, Asian players have together increased their market shares in all MDA from [10-20]% to [30-40]% in volume, and from [10-20]% to [20-30]% in value. In particular, Haier, competing in the low-end price range with the Parties and whose brand Candy is considered as a close competitor to the Parties by customers and competitors in Italy[262], has doubled its market share in all MDA during this period, with a [10-20]% volume market share in all MDA in 2022.[263] Customers active in Italy have also confirmed that Haier, Hisense, LG and Samsung recently entered and significantly expanded their presence in Italy.[264] Each of these suppliers have a local presence in Italy.[265]

(131) *Third*, there are multiple suppliers competing with the Parties in all MDA categories in Italy. The main competitors in Italy include traditional European suppliers, such as Electrolux ([10-20]% market share in volume and [10-20]% in value in all MDA), BSH ([5-10]% market share in volume and [10-20]% in value in all MDA), Miele ([0-5]% market share in volume and [0-5]% in value in all MDA) and Liebherr ([0-5]% market share in volume and [0-5]% in value in all MDA), as well as global suppliers based in Asia, such as Haier ([10-20]% market share in volume and [10-20]% in value in all MDA), Samsung ([5-10]% market share in volume and [10-20]% in value in all MDA), LG ([0-5]% market share in volume and [5-10]% in value in all MDA), Hisense ([0-5]% market share in volume and [0-5]% in value in all MDA) and Midea ([0-5]% market share in volume and [0-5]% in value in all

256 Form CO, Table 143.
257 M.11086, Section 6 – Annex 140.
258 See e.g. Whirlpool's Reply to PN RFI 3, Annex Q19.17, slide 3 and Annex Q19.16, slide 4; Whirlpool's 5(4) document, '60 - ITALY - 3 Year Strategic Planning deck', slides 3 and 15.
259 M.11086, Section 5.4 - Annex 84 - Confidential, slides 3 and 15.
260 M.11086, Section 7 - Annex 131 - Confidential, slide 23.
261 M.11086, Section 7 - Annex 133 - Confidential, slide 2.
262 Replies to 04 - Questionnaire to customers Italy, question E.D.5; Replies to 02 – Questionnaire to competitors, questions E.C.7 and E.C.8.
263 M.11086, Section 6 - Annex 97, paragraph 13.
264 Replies to 04 - Questionnaire to customers Italy, questions E.F.1 and E.F.2.
265 M.11086, Section 8 - Annex 1.

MDA).[266] Official GfK data indicate that overall, over […] competitors with […] brands offer products across MDA categories in Italy.[267] Most competitors have a local presence in Italy with their own sales/distribution network in place,[268] which is very important for customers in Italy.[269] These competitors are active in all MDA categories and most have excess spare capacity to serve the EEA.[270] As mentioned above, several competitors have also expanded in Italy in the last years, such as Haier, Miele, Hisense, LG, Midea and Samsung.[271] Thus, these competitors exert competitive constraint on the Parties.

(132) More specifically, in microwaves, in respect of which the Parties' combined value market share is [40-50]%, there are several well-known MDA suppliers active in Italy, notably Samsung ([10-20]% value market share), Haier ([5-10]% value market share), Electrolux ([5-10]% market share), LG ([0-5]% value market share) and Midea ([0-5]% value market share).[272]

(133) Furthermore, it should be noted that the Parties' combined market share (in either volume or value) exceeds 50% only in respect of the potential sub-segment of built-in microwaves, in respect of which the Parties have a [50-60]% volume market share. In this sub-segment, the Target's volume market share has decreased by approximately [20-30]%-points since 2018. Moreover, in the overall category of microwaves, the Parties' combined market share is significantly lower than the value share, namely [20-30]% by volume. The built-in segment represents a small part of the total market in Italy (approx. […] out of approx. […] in total in 2022).[273] Given the small size of this built-in sub-segment, also smaller volumes sold have a large effect on the market share. For example, Electrolux lost [0-5]%-points of its volume market share between 2019 and 2020, and thereafter experienced remarkable growth by gaining [5-10]%-points between 2020 and 2021, after which it again lost [0-5]% points between 2021 and 2022.[274] Thus, the combined market share in built-in microwaves overestimates the Parties' position and market power. Furthermore, major EEA competitors are active in this potential sub-segment in Italy, notably Samsung ([20-30]% volume market share), Haier ([10-20]% volume market share), LG ([0-5]% volume market share) and Midea, ([0-5]% volume market share), as well as Panasonic ([5-10]% volume market share), Sharp ([0-5]% volume market share), Girmi ([0-5]% volume market share) and Caso ([0-5]% volume market share).[275]

(134) In the potential sub-segment for built-in refrigerators, well known MDA suppliers, notably Electrolux ([20-30]% volume market share), Haier ([10-20]% volume market share), Samsung ([5-10]% volume market share), BSH ([0-5]% volume market share), Miele ([0-5]% volume market share), Smeg ([0-5]% volume market share) and Liebherr ([0-5]% volume market share) are present in Italy[276] and most

266 M.11086, Section 6 - Annex 97, paragraph 6 and Table 3.
267 M.11086. Section 6 - Annex 97, paragraph 6.
268 M.11086, Section 8 - Annex 1.
269 Replies to 04 - Questionnaire to customers Italy, question D.6.
270 Replies to 02 - Questionnaire to competitors, question E.B.1.
271 M.11086, Section 6 - Annex 97, Table 3.
272 M.11086, Section 6 - Annex 97, Table 29.
273 M.11086, Section 6 - Annex 140.
274 M.11086, Section 6 - Annex 140.
275 M.11086, Section 6 - Annex 97, Table 32.
276 M.11086, Section 6 - Annex 97, Table 16.

MDA suppliers have spare capacity.[277] Moreover, Haier has expanded significantly in built-in refrigerators recently, gaining [0-5]%-points by volume between 2019-2022.[278] Whirlpool's internal documents also highlight that Asian players have adopted an [information relating to Target's internal competitive assessment].[279] Also, in the overall category of refrigerators, the Parties' combined volume market share is limited to [20-30]%.[280] In this category, the Target's market share has been decreasing significantly, namely by [20-30]%-points since 2009.[281] The potential sub-segment of built-in appliances represents a smaller part of the total market for refrigerators ([…] units out of […] in total in 2022). Given the relatively small size of this built-in sub-segment, also smaller volumes sold have a larger effect on the market share. For example, between 2020 and 2021, Electrolux lost [0-5]%-points while Haier gained [0-5]%-points.[282]

(135) In the potential sub-segment freestanding dishwashers, major EEA competitors, such as BSH ([20-30]% volume market share), Haier ([0-5]% volume market share), Electrolux ([0-5]% volume market share), Miele ([0-5]% volume market share), Midea ([0-5]% volume market share), LG ([0-5]% volume market share), Samsung ([0-5]% volume market share) and Smeg (2% volume market share) are present[283] and most are able to increase their supply of freestanding dishwashers.[284] Moreover, Whirlpool's internal documents highlight that Asian players, [information relating to Target's internal competitive assessment].[285]

(136) *Fourth*, the market investigation has confirmed that a sufficient number of alternative suppliers would remain on the Italian market post-Transaction across the relevant MDA categories. In particular, a majority of customers who expressed an opinion stated that they would have sufficient alternative suppliers to turn to post-Transaction for each category and sub-category of MDA and across price points.[286] This was also confirmed by a majority of competitors, who held that there are sufficient suppliers per MDA category and price point.[287] The majority of customers considered that the following brands are good and suitable alternative suppliers to the Parties: (i) BSH's brands Balay, Bosch, Neff and Siemens, (ii) Electrolux's brands AEG, Electrolux, Zanussi and Zoppas (iii) Haier's brands Candy, Haier, Hoover, Iberna and Zerowatt, (iv) Hisense's brands Gorenje and Hisense, (v) LG's brand LG, (vi) Liebherr's brand Liebherr, (vii) Midea's brands Comfee and Midea, (viii) Miele's brand Miele, (ix) Samsung's brand Samsung, and (x) Vestel's brands Finlux, Telefunken, Vestel and Vestfrost.[288]

277 Replies to 02 – Questionnaire to competitors, question E.B.3.
278 M.11086, Section 6 - Annex 140.
279 M.11086, Section 5.4 - Annex 84 (Whirlpool's 5(4) document, '60 – ITALY – 3 Year Strategic Planning deck'), slides 3 and 15.
280 M.11086, Section 6 - Annex 140.
281 M.11086, Section 6 - Annex 97, paragraph 62.
282 M.11086, Section 6 - Annex 140.
283 M.11086, Section 6 - Annex 97, Table 13.
284 Replies to 02 – Questionnaire to competitors, question E.B.3.
285 M.11086, Section 5.4 - Annex 84 -(Whirlpool's 5(4) document, '60 - ITALY - 3 Year Strategic Planning deck'), slides 3 and 15.
286 Replies to 04 - Questionnaire to customers Italy, questions E.C.2, E.C.6, E.C.8 and F.3.
287 Replies to 02 – Questionnaire to competitors, questions E.B.7 and E.B.12.
288 Replies to 04 - Questionnaire to customers Italy, question F.4.

(137) *Fifth*, while the Parties are both competing across all MDA categories in the low- to mid-end price ranges in Italy, a majority of customers held that Arçelik and Whirlpool are not competing closer with each other than vis-à-vis other competitors in terms of offerings and/or capabilities,[289] with one customer stating that '*they target consumers with different needs and characteristics*'.[290] In fact, a majority of customers who expressed an opinion indicated that Candy is the closest competitor to Beko and Indesit, while Electrolux is the closest competitor to Hotpoint in Italy.[291] As already mentioned above, the market investigation also confirmed that there would remain sufficient alternative suppliers across all price points.

(138) *Sixth*, a majority of customers have confirmed that they could switch to alternative MDA suppliers.[292] In recent years, several customers have delisted Whirlpool and Arçelik with regard to a number of MDA categories. In particular, Arçelik recently lost [information relating to Arçelik's and Whirlpool's customers] as customer, the last sales taking place in [information relating to Arçelik's and Whirlpool's customers]. Whirlpool also lost [information relating to Arçelik's and Whirlpool's customers], with last sales in [information relating to Arçelik's and Whirlpool's customers]. [information relating to Arçelik's and Whirlpool's customers] also removed all Whirlpool's [information relating to Arçelik's and Whirlpool's customers] in 2023 from its Italian stores, resulting in a decrease in the Target's sales to [information relating to Arçelik's and Whirlpool's customers].[293] Moreover, following the announcement of the Transaction, some customers in Italy appear to have already started switching to Asian manufacturers, with one customer explaining that its '*competitors in Italy have started to find other suppliers from China*'.[294]

(139) *Finally*, during the market investigation, the majority of customers active in Italy held that the impact of the Transaction on the affected MDA markets and their potential sub-segments in Italy would be neutral.[295]

5.2.2.13. Latvia

(140) The Transaction results in an affected market in respect of the following MDA category in Latvia:

289 Replies to 04 - Questionnaire to customers Italy, question E.D.3.
290 Replies to 04 - Questionnaire to customers Italy, question E.D.4.
291 Replies to 04 - Questionnaire to customers Italy, question E.D.5.
292 Replies to 04 - Questionnaire to customers Italy, question E.B.4.
293 M.11086, Section 6 - Annex 97, paragraph 26.
294 Minutes of a call with a customer on 7 June 2023, paragraph 20.
295 Replies to 04 - Questionnaire to customers Italy, questions F.6 and F.9.

Table 13 - Latvia (2022)

Category / potential sub-segment	Market share (%) – volume[296]			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
ALL MDA[297]	[0-5]%	[10-20]%	**[10-20]%**	[0-5]%	[5-10]%	**[5-10]%**
Freestanding dishwashers	[0-5]%	[30-40]%	**[30-40]%**	*Not available*	*Not available*	*Not available*

Source: Replies to RFI 17, Q3.

(141) The Parties are small players in Latvia with a combined market share at all MDA level in 2022 of well below 15% ([10-20]% in terms of volume; and [5-10]% in terms of value). The Commission considers that the Transaction does not raise competition concerns in respect of the potential sub-segment of freestanding dishwashers in Latvia for the following reasons.

(142) *First*, the merged entity's combined market share in the supply of freestanding dishwashers in Latvia, while elevated, remains well below 35%.

(143) *Second*, there are several alternative suppliers competing with Arçelik and the Target in Latvia. Customers could post-Transaction switch to Electrolux ([10-20]%), Samsung ([10-20]%), LG ([5-10]%), BSH ([5-10]%), Hisense ([0-5]%) and others ([20-30]%).[298] According to a research commissioned on behalf of the Notifying Party in relation to Latvia, the Parties' brands ranked [information relating to Arcelik's internal assessment of the competitive landscape] (Whirlpool) and [information relating to Arcelik's internal assessment of the competitive landscape] (Beko), preceded by Samsung, LG, Bosch, Electrolux and AEG when survey participants were questioned for the first white good brand (for refrigerator, washing machine, dishwasher, cooker/oven/range cooker, clothes dryer/tumble dryer, freezer) that comes to mind.[299] These competitors will thus be able to exercise a competitive constraint on the merged entity.

(144) *Third*, the increment brought about by the Transaction in the market for freestanding dishwashers is minimal ([0-5]%), as Arcelik's presence in Latvia is very limited. Thus, the Transaction is not going to change the competition dynamics in this market in Latvia.

296 The Notifying Party provided that the Parties do not have access to [information relating to data tracked by the Parties]. As such, the Parties have provided an overview of the competitive landscape based on [information relating to data tracked by the Parties] and [information relating to data tracked by the Parties] data, their internal knowledge of the [information relating to data tracked by the Parties] market and the [information relating to data tracked by the Parties], as well as publicly available information. According to the Notifying Party, although the Parties do not have access to data that could enable them to estimate their [information relating to data tracked by the Parties].

297 All MDA in Latvia includes washing machines, refrigerators, cooking appliances, tumble dryers, dishwashers, freezers, microwave ovens, hobs, and hoods.

298 Market shares of competitors in the sub-segment for freestanding dishwashers in Latvia are provided in terms of volume, in 2022.

299 Syno, 'Beko Post-Test Research Report Latvia', Form CO - Section 1 - Annex 105, slide 13.

(145) *Fourth*, the Notifying Party's internal documents relating to the Baltics region show that […].[300] Indeed, Arçelik lost [5-10] percentage points since 2021 (from [5-10]% to [0-5]% share by volume in 2022 at all MDA level,[301] and a total of [5-10] percentage points since 2019.[302]

(146) *Fifth*, the Commission notes that the size of the market for the potential sub-segment of freestanding dishwashers is comparatively small; in particular, in 2022, only around […] of freestanding dishwashers were sold in Latvia, in contrast to around […] of built-in dishwashers. As such, the Commission considers that market shares in this sub-segment are amenable to fluctuation from one year to another depending on an MDA manufacturer winning only a few contracts and may not be reflective of the actual market power of the Parties.

(147) *Finally*, no concerns were raised by respondents to the Commission's market investigation on the impact of the Transaction in Latvia.

5.2.2.14. Lithuania

(148) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Lithuania:

Table 14 - Lithuania (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value[303]		
	Arçelik	**Target**	**Combined**	**Arçelik**	**Target**	**Combined**
All MDA[304]	[10-20]%	[5-10]%	**[10-20]%**	[5-10]%	[5-10]%	**[10-20]%**
Freestanding cooking appliances	[20-30]%	[0-5]%	**[20-30]%**	*Not available*	*Not available*	*Not available*
Dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[5-10]%	[5-10]%	**[10-20]%**
Freestanding dishwashers	[20-30]%	[30-40]%	**[50-60]%**	*Not available*	*Not available*	*Not available*
Freezers	[20-30]%	[5-10]%	**[20-30]%**	[10-20]%	[5-10]%	**[20-30]%**
Freestanding freezers	[20-30]%	[5-10]%	**[30-40]%**	*Not available*	*Not available*	*Not available*
Freestanding refrigerators	[20-30]%	[0-5]%	**[10-20]%**	*Not available*	*Not available*	*Not available*

Source: Form CO, Section 6 - Annex 98.

300 [information relating to Beko's internal competitive assessment], Form CO - Section 7 - Annex 63, slides 2 and 12.

301 All MDA in Latvia includes washing machines, refrigerators, cooking appliances, tumble dryers, dishwashers, freezers, microwave ovens, hobs, and hoods.

302 Replies to Q2 of RFI 17.

303 The Notifying Party confirmed that all available value-based market shares have been provided. For those that are not available, according to the Notifying Party, the Parties' [information relating to the parties' market shares and pricing strategy]. See Replies to Q1 of RFI 18.

304 All MDA in Lithuania includes washing machines, refrigerators, cooking appliances, tumble dryers, dishwashers, freezers, microwave ovens, hobs, and hoods.

(149) The MDA landscape in Lithuania is quite competitive. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 20% ([10-20]% in terms of volume; and [10-20]% in terms of value).

(150) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Lithuania, listed in Table 14 above.

(151) *First*, the Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA, including in Lithuania. These notably include the following MDA suppliers who are active in Lithuania: Electrolux ([20-30]% in volume, and [20-30]% in value), Samsung ([10-20]% in volume, and [10-20]% in value), LG ([5-10]% in volume, and [10-20]% in value), BSH ([5-10]% in volume, and [5-10]% in value), Hisense ([5-10]% in terms of both volume and value) and others ([20-30]% in terms of volume, [20-30]% in terms of value).[305] Some of these players have a local presence in Lithuania (or neighbouring country)[306] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[307] The growth of Asian players in Lithuania is also evidenced in the Notifying Party's internal documents: [information relating to Arcelik's internal competitive assessment].[308] By 2021, Samsung has become a leading brand in Lithuania with an estimated all MDA[309] share of [10-20]% by value.[310] For 2022, Arçelik estimates that Samsung's share increased to approx. [10-20]% (by value).[311]

(152) *Second*, the merged entity's combined market share in Lithuania is below 35% in respect of all relevant MDA categories and potential sub-segments, except for freestanding dishwashers. In this potential sub-segment, the Parties will however continue to face competition by major competitors, such as Electrolux, Samsung, LG, BSH, Hisense and others. According to data submitted by the Notifying Party, the Parties' main competitors are already supplying both built-in and freestanding dishwashers in other EEA countries.[312] As such, they already offer the freestanding models elsewhere and could expand in Lithuania. The majority of Lithuanian customers in the Commission's market investigation have confirmed this, mentioning that most or all MDA manufacturers are able to supply both types of dishwashers into the Lithuanian market.[313] Similarly, the majority of market respondents in Lithuania have also attested that they are currently sourcing freestanding dishwashers from at least five alternative suppliers,[314] indicating that

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305 Replies to RFI 17, Q2; Form CO, Section 6 - Annex 98. Market shares of competitors are provided at the level of all MDA, for 2022.

306 These include BSH, Electrolux, Miele (Estonia), Samsung (Latvia) – Form CO, Section 8, Annex 1.

307 Replies to 02 - Questionnaire to competitors, question E.B.1.

308 Form CO - Section 7 - Annex 102, slide 4.

309 MDA8 refers to cooling (including both refrigerators and freezers), washing machines and washing dryers, tumble fryers, dishwashers, ovens, hobs, hoods, microwave ovens.

310 One customer in the Commission's market investigation, in response to the question on whether customers are aware of any MDA manufacturer who significantly increased their market presence in Lithuania in the past five years, replied specifically that "*Samsung is getting market share from other brands*" - Replies to 05 - Questionnaire to EEA customers (customers in Lithuania), question F.L.13 [Ogmina UAB].

311 Form CO - Section 6 - Annex 98.

312 Form CO - Section 6 - Annex 98.

313 Replies to 05 - Questionnaire to EEA customers (customers in Lithuania), question C.7.

314 Replies to 05 - Questionnaire to EEA customers (customers in Lithuania), question F.L.1.

customers would have sufficient alternatives post-Transaction. Moreover, the Commission notes that the size of the market for this potential sub-segment is relatively limited (compared to the market for all dishwashers), representing [10-20]% of the total dishwashers market.[315] As a result, the Commission considers that the market shares of the Parties and their competitors might fluctuate from one year to the next depending on only a few contracts, as has been the case in other EEA countries.

(153) *Third*, Lithuanian customers indicated that the Parties do not offer any must-have products.[316] Market respondents indicated that Hisense/Gorenje, Electrolux and Candy offer alternatives to the Parties' products.[317] Moreover, the majority of Lithuanian customers indicated that switching is possible.[318] As such, the Commission considers that the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments.

(154) Finally, Lithuanian customers did not raise any concerns during the market investigation with respect to the impact of the Transaction on the affected MDA markets in Lithuania.[319]

5.2.2.15. Luxembourg

(155) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Luxembourg:

Table 15 - Luxembourg (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	**Target**	**Combined**	**Arçelik**	**Target**	**Combined**
All MDA[320]	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
Dishwashers	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[30-40]%**
Built-in dishwashers	[5-10]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**
Freestanding dishwashers	[10-20]%	[30-40]%	**[50-60]%**	[10-20]%	[30-40]%	**[50-60]%**
Freezers	[10-20]%	[20-30]%	**[30-40]%**	[10-20]%	[20-30]%	**[30-40]%**
Freestanding freezers	[10-20]%	[20-30]%	**[30-40]%**	[10-20]%	[20-30]%	**[30-40]%**
Freestanding refrigerators	[10-20]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[10-20]%**

M.11086, Section 6 – Annex 141.

315 Form CO - Section 6 – Annex 142.
316 Replies to 05 - Questionnaire to EEA customers (customers in Lithuania), question F.L.7.
317 Replies to 05 - Questionnaire to EEA customers (customers in Lithuania), question F.L.11.
318 Replies to 05 - Questionnaire to EEA customers (customers in Lithuania), question F.L.3.
319 Replies to 05 - Questionnaire to EEA customers (customers in Lithuania), questions F.L.14 and F.L.16.
320 In Luxembourg, all MDA refers to refrigerators, dishwashers, freezers and washing machines.

(156) [Information relating to Parties' sales in Luxembourg] realise sales through [Information relating to Parties' sales in Luxembourg]. Nor do they have manufacturing plants in Luxembourg. Instead, all MDA sold by the Parties in Luxembourg are manufactured in their manufacturing plants in the EEA and/or outside the EEA.[321]

(157) When considering the narrowest plausible categories and sub-categories of appliances, the Parties' highest combined market shares are in the potential sub-segment freestanding dishwashers ([50-60]% by volume), while they remain below 40% in all other categories and sub-categories.[322]

(158) Despite the high combined market shares, for the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA categories or potential sub-segments in Luxembourg.

(159) *First*, there are several alternative suppliers competing with Arçelik and the Target across the MDA categories in Luxembourg. This includes major traditional European players (e.g., Amica, Brandt, BSH, Electrolux, Liebherr, Teka, and Miele) and non-European players (Haier, Hisense, LG, and Samsung), as well as private labels (e.g., ESSENTIEL-B, OK, and Selecline).[323]

(160) Particularly with regard to the potential sub-segment freestanding dishwashers, there are several major competitors active in Luxembourg, notably Electrolux ([10-20]% volume market share), BSH ([10-20]% volume market share), LG ([0-5]% volume market share) and Hisense ([0-5]% volume market share).[324] Moreover, it should be noted that in the overall category of dishwashers, the Parties' combined market share is limited to [30-40]% by value and [30-40]% by volume. The potential freestanding sub-segment represents a smaller part of the total dishwasher market in Luxembourg (approx. […] of approx. […] in 2022).[325] Given the relatively small size of this sub-segment, also smaller volumes sold have a large effect on the market share. Due to this, market shares may fluctuate significantly each year. For example, Electrolux gained in volume market shares [5-10]%-points between 2018-2019, lost [5-10]%-points between 2019-2020, and thereafter experienced remarkable growth by gaining [10-20]%-points between 2020-2021, and then decreased significantly by losing [20-30]%-points between 2021-2022.[326] Thus, the combined market share in freestanding dishwasher overestimates the Parties' position and market power.

(161) *Second*, the Commission's market investigation confirmed that customers could generally switch to sufficient alternative suppliers across MDA categories,[327] naming BSH, Electrolux, Haier, Samsung, LG, Hisense, Amica and Vestel as main alternative suppliers.[328] These competitors are able to exercise a competitive constraint on the merged entity.

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321 Form CO, paragraph 270, footnotes 245 and 246 and Tables 6 and 7.
322 Form CO, Section 6 - Annex 141.
323 M.11086, Section 6 - Annex 99, paragraph 5.
324 M.11086, Section 1 - Annex 141.
325 M.11086, Section 1 - Annex 141.
326 M.11086, Section 1 - Annex 141.
327 Replies to 05 - Questionnaire to EEA customers, questions F.M.3 and F.M.5.
328 Replies to 05 - Questionnaire to EEA customers, question F.M.11.

(162) *Third*, the Commission notes that the Parties' customer base in Luxembourg is relatively concentrated, with Arçelik's top five customers accounting for [information relating to the Parties' customers]% of its MDA sales and Whirlpool's top five customers accounting for [information relating to the Parties' customers]% of its MDA sales. In particular, with regard to Arçelik's sales in all MDA, [*information relating to Arçelik's and Whirlpool's customers*]. As for Whirlpool's sales in all MDA, [*information relating to Arçelik's and Whirlpool's customers*] alone accounts for [*information relating to Arçelik's and Whirlpool's customers*]% of total sales.[329]

(163) Finally, the majority of customers held that the impact of the Transaction on the affected MDA markets and their potential sub-segments in Luxembourg would be neutral.[330]

5.2.2.16. Malta

(164) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Malta:

Table 16 - Malta (2022)

Category / potential sub-segment	**Market share (%) – value[331]**		
	Arçelik	**Target**	**Combined**
All MDA[332]	[10-20]%	[5-10]%	**[20-30]%**
Cooking appliances	[10-20]%	[10-20]%	**[20-30]%**
Hobs	[20-30]%	[20-30]%	**[40-50]%**
Dishwashers	[20-30]%	[10-20]%	**[30-40]%**
Freezers	[20-30]%	[10-20]%	**[30-40]%**
Microwaves	[5-10]%	[20-30]%	**[30-40]%**
Tumble dryers	[30-40]%	[5-10]%	**[30-40]%**

Source: Form CO, Section 6 – Annex 103.

(165) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA categories in Malta.

329 Form CO, Section 6 - Annex 99, paragraph 13.

330 Replies to 05 – Questionnaire to EEA customers, questions F.M.14, F.M.15 and F.M.16.

331 The Notifying Party confirmed that the Parties do not have access neither to [information relating to data tracked by the Parties]. However, it has provided estimates and an overview of the competitive landscape based on [information relating to data tracked by the Parties], the Parties' internal knowledge of the [information relating to data tracked by the Parties], as well as publicly available information. On average, the Parties consider that the combined market shares in volume are [information relating to data tracked by the Parties] than the combined value market shares, with the potential exception of microwave ovens and freezers, where volume market shares could be slightly [information relating to data tracked by the Parties], see Replies to Q2 of RFI 18.

332 All MDA in Malta includes washing machines, refrigerators, cooking appliances, tumble dryers, dishwashers, freezers, microwave ovens, hobs, and hoods.

(166) *First*, the Parties are moderate players with a combined market share at all MDA level in 2022 of below 30% ([20-30]% in terms of value). The merged entity's combined market share in Malta is below 40% in respect of the relevant MDA categories and potential sub-segments (in terms of value), save for hobs.[333] According to the Notifying Party, large European and non-European players offer cooking appliances in Malta, to whom Maltese customers can turn to, such as BSH (offering Bosch, Neff, and Siemens), Elica, Haier (offering Candy and Hoover), Midea (offering Master Kitchen and Midea), Vestel and others (offering AVG, Akai, Bertazzoni, Bomann, Bompani, Domino, Esistyle, Faber, Fiesta, Franke, Glem, La Germania, Oscar, Simfer, Smeg, Technogas, and Vox).[334]

(167) *Second*, the Parties' customer base is highly concentrated: Arçelik's top [information relating to Arçelik and Whirlpool's customers] customers' account for [information relating to Arçelik and Whirlpool's customers]% of its sales ([information relating to Arçelik and Whirlpool's customers]), whereas Whirlpool's top [information relating to Arçelik and Whirlpool's customers] customers account for [information relating to Arçelik and Whirlpool's customers]% of its sales ([information relating to the Notifying Party's sales]).[335] As such, variations in the Parties' yearly contracts might influence the Parties' overall market shares. For example, in 2022, [information relating to the Notifying Party's sales], while in 2021, [information relating to Arçelik and Whirlpool's customers] only bought […] from the Target, and […] units in 2020 (with the overall market shares of Whirlpool being [5-10]% and [5-10]% in these years respectively). According to the Notifying Party, [information relating to Arçelik and Whirlpool's customers] also took place in other MDA categories such as [information relating to the Notifying Party's sales].

(168) *Third*, according to data submitted by the Notifying Party, Crosscraft's website (including cookers, hobs, and ovens) – [information relating to Target and Crosscraft's relationship] – shows that Whirlpool's cooking appliances account for less than half of all the cooking appliances available and there is wide range of models from the Parties' competitors – including Elica, Haier and others – offered under four additional brands (Bertazzoni, Elica, Franke, and Hoover).[336] The Commission thus concludes that post-Transaction the Target will remain constrained by its rivals in cooking appliances in Malta.

(169) *Fourth*, the Commission's market investigation showed that the Parties are not the closest competitors.[337] In fact, there are other alternative suppliers, such as Samsung, Siemens, and Bosch, which compete more closely with each of the Parties in Malta.[338] As such, the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments.

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333 Form CO -Section 6 - Annex 103; According to the Notifying Party, the overwhelming majority of cookers are freestanding, while ovens and hobs are always built-in. Form CO, para. 756.

334 Form CO - Section 6 - Annex 103.

335 Form CO - Section 6 - Annex 103.

336 Form CO - Section 6 - Annex 103.

337 Replies to 05 – Questionnaire to EEA customers, question F.N.9.

338 Replies to 05 – Questionnaire to EEA customers, question F.N.11.

(170) Finally, no concerns were raised by respondents to the market investigation on the impact of the Transaction in Malta.[339]

5.2.2.17. Norway

(171) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Norway:

Table 17 - Norway (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA[340]	[5-10]%	[5-10]%	**[10-20]%**	[5-10]%	[0-5]%	**[10-20]%**
Freezers	[0-5]%	[20-30]%	**[30-40]%**	[5-10]%	[10-20]%	**[20-30]%**
Freestanding freezers	[0-5]%	[30-40]%	**[30-40]%**	[5-10]%	[20-30]%	**[20-30]%**

Form CO, Section 6 - Annex 140; response to RFI 17 - Q2.

(172) The MDA landscape in Norway is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA[341] level in 2022 of below 15% ([10-20]% in terms of value; and [10-20]% in terms of volume).[342] The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA, i.e. including in Norway.[343] These notably include some of the following MDA suppliers who are active in Norway (market shares at all MDA[344] level for 2022): Electrolux ([20-30]% in volume, and [20-30]% in value), BSH ([10-20]% in volume, and [10-20]% in value), Samsung ([5-10]% in volume, and [10-20]% in value), Hisense ([5-10]% in volume, and [5-10]% in value), and Amica ([5-10]% in volume, and [0-5]% in value).[345] The merged entity will also continue to be constrained by private label offering which represents more than 15% in terms of volume across the relevant MDA categories and potential sub-segments in Norway.[346]

(173) Whilst the MDA landscape - as such (i.e. all MDA) - does not amount to a separate relevant product market, it is still relevant when considering constraints on the merged entity. It shows that the Parties will continue to be constrained by numerous dynamic European and Asian competitors with established brands active across the MDA categories and potential sub-segments, including competitors with spare

339 Replies to 05 – Questionnaire to EEA customers, questions F.N.14, F.N.15 and F.N.16.
340 In Norway, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, and washing machines.
341 In Norway, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, and washing machines.
342 Response to RFI 17 - Q2; Form CO, Section 6 - Annex 107.
343 Replies to 02 - Questionnaire to competitors, question E.B.1.
344 In Norway, all MDA refers to cooking appliances, dishwashers, freezers, refrigerators, and washing machines.
345 Response to RFI 17 - Q2.
346 Form CO, Section 6 - Annex 140.

capacity to serve customers in the EEA,[347] and hence able to limit the merged entity in any attempts at increasing prices.

(174) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA categories and potential sub-segments in Norway, listed in Table 17 above. The merged entity's combined market share in Norway is below 40% in respect of all relevant MDA categories and the potential sub-segments (both in terms of volume and value).[348] The Transaction brings about only a limited increment of less than [5-10]% in terms of market share (in volume and value) in this respect. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as well as LG, Miele, and Liebherr.[349] Some of these players have a local presence in Norway (or neighbouring country)[350] and competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[351] Customers confirmed that they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, such as the brands Gorenje, Electrolux, Samsung, AEG, and Bosch.[352] Moreover, Arçelik and the Target are not close competitors in relation to any particular MDA category in Norway.[353] Thus, the competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. Finally, customers active in Norway did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Norway.[354]

5.2.2.18. Poland

(175) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Poland:

Table 18 – Poland (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
Dishwashers	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[10-20]%	**[20-30]%**
Built-in dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Freestanding dishwashers	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[10-20]%	**[30-40]%**
Freezers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Freestanding freezers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**

347 Replies to 02 - Questionnaire to competitors, question E.B.1.
348 Form CO, Section 6 - Annex 140.
349 Form CO, Section 6 - Annex 140.
350 Form CO, Section 8 - Annex 1.
351 Replies to 02 - Questionnaire to competitors, question E.B.1.
352 Replies to 05 - Questionnaire to EEA customers (customers in Norway), questions F.O.5 and F.O.11.
353 Replies to 05 - Questionnaire to EEA customers (customers in Norway), question F.O.9.
354 Replies to 05 - Questionnaire to EEA customers (customers in Norway), question F.O.14.

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
Refrigerators						
Built-in refrigerators	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Tumble dryers	[10-20]%	[5-10]%	**[20-30]%**	[10-20]%	[5-10]%	**[20-30]%**
Freestanding tumble dryers	[10-20]%	[5-10]%	**[20-30]%**	[10-20]%	[5-10]%	**[20-30]%**
Washing machines	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[10-20]%	**[20-30]%**
Built-in washing machines	[10-20]%	[40-50]%	**[50-60]%**	[10-20]%	[30-40]%	**[40-50]%**
Freestanding washing machines	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[10-20]%	**[20-30]%**

Form CO, Section 6 - Annex 140.

(176) The MDA landscape in Poland is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 25% ([20-30]% in terms of value; and [20-30]% in terms of volume). The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA. These notably include Amica (approx. [10-20]% by volume in 2022), Samsung (approx. [10-20]% by volume in 2022), Electrolux (approx. [10-20]% by volume in 2022), BSH (approx. [5-10]% by volume in 2022), Hisense (approx. [0-5]% by volume in 2022), and Haier (approx. [0-5]% by volume in 2022).[355]

(177) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA categories and potential sub-segments in Poland.

(178) *Firstly*, the merged entity's combined market share in Poland is below 30% for built-in dishwashers, freezers, freestanding freezers, built-in refrigerators, tumble dryers, and freestanding tumble dryers (both in terms of volume and value).[356] The merged entity's combined market share in Poland in respect of dishwashers, freestanding dishwashers, washing machines, and freestanding washing machines is comparatively higher but remains below 40%.[357] Indeed, for the reasons set out in paragraphs (179) to (181) below, as well as in Section 5.1.1 above, with regards to the MDA market, a higher level of market shares does not necessarily translate into higher market power.

(179) *Secondly*, there are sufficient alternative suppliers competing with Arçelik and the Target across MDA categories and price points in Poland. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors as

355 M.11086 - Section 7 - Annex 216; competitors' market share estimates are provided at MDA9 level for 2022.

356 Form CO, Section 6 - Annex 140.

357 Form CO, Section 6 - Annex 140.

well as Haier, and Liebherr.[358] The majority of these players have a local presence in Poland (or a neighbouring country)[359] and the majority of competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[360] The majority of customers having expressed their opinion confirmed that, in the event that they could no longer purchase from the Parties, they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, for all MDA categories, including built-in dishwashers.[361] Furthermore, customers named several brands that could serve as close alternatives to the Parties, such as Candy, AEG, Hisense, Electrolux, Amica, and others.[362]

(180) *Thirdly*, the majority of respondents confirmed that they would be able to switch suppliers across MDA categories in Poland. As one large customer explained: "[a]*s there are so many suppliers in Poland, we could easily switch to other suppliers*".[363]

(181) *Fourthly*, Arçelik and the Target are not closer competitors between themselves compared to other alternative suppliers in relation to any particular MDA category in Poland. The competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. One customer outlined: "*Arcelik and Whirlpool are not competitive with each other any more than they would with anyone else*". [364]

(182) *Fifthly*, with regards to built-in washing machines specifically, where the Parties' combined market shares post-Transaction in Poland are higher than for other MDA categories, the Transaction would not raise competition concerns. Indeed, while the Parties would be the largest competitor post-Transaction, there would still remain alternatives, such as Haier ([20-30]% in volume, [20-30]% in value), Electrolux ([10-20]% in volume, [20-30]% in value), and Amica ([0-5]% in volume, [0-5]% in value). A majority of customers having expressed their opinion have explained that they would still have a sufficient number of suppliers other than the Parties post-Transaction.[365] Finally, the built-in segment for washing machines in Poland is quite small, accounting for less than 1% of all total washing machine purchases.[366] As such, suppliers' shares in built-in washing machines can fluctuate a lot depending on who wins very few contracts given the small size of this potential market. By way of example, Haier has been significantly growing in this space: its market share went from [10-20]% (volume) in 2018 to [20-30]% in 2022, an increase of almost [90-100]%, or an average annual growth rate of [10-20]%.[367]

(183) Finally, customers active in Poland did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Poland.[368]

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358 Form CO, Section 6 - Annex 140.
359 M.11086 – Section 8 – Annex 1.
360 Replies to 02 - Questionnaire to competitors, question E.B.1.
361 Replies to 05 - Questionnaire to EEA customers, question F.P.5.
362 Replies to 05 - Questionnaire to EEA customers, question F.P.11.
363 Replies to 05 - Questionnaire to EEA customers, questions F.P.3 and F.P.4.
364 Replies to 05 - Questionnaire to EEA customers, questions F.P.9 and F.P.10.
365 Replies to 05 - Questionnaire to EEA customers, question F.P.5.
366 Form CO, Section 6 - Annex 140.
367 M.11086 - Section 7 - Annex 216
368 Replies to 05 - Questionnaire to EEA customers, questions F.P.14.

5.2.2.19. Portugal

(184) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Portugal:

Table 19 - Portugal (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA	[0-5]%	[10-20]%	**[10-20]%**	[0-5]%	[10-20]%	**[10-20]%**
Dishwashers	[10-20]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[30-40]%**
Freestanding dishwashers	[10-20]%	[20-30]%	**[40-50]%**	[10-20]%	[20-30]%	**[30-40]%**
Tumble dryers	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[20-30]%**
Freestanding tumble dryers	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[20-30]%	**[20-30]%**
Washing machines	[5-10]%	[20-30]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
Built-in washing machines	[5-10]%	[20-30]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
Freestanding washing machines	[5-10]%	[20-30]%	**[20-30]%**	[0-5]%	[10-20]%	**[20-30]%**

Form CO, Section 6 - Annex 140.

(185) The MDA landscape in Portugal is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 20% ([10-20]% in terms of value; and [10-20]% in terms of volume). The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA. These include private labels (approx. [10-20]%), BSH (approx. [5-10]%), Teka (approx. [5-10]%), Haier (approx. [5-10]%), Samsung (approx. [5-10]%), and LG (approx. [5-10]%). Furthermore, Arçelik is not particularly strong in Portugal, and, for all MDA, the increment from the Transaction is below [0-5]%, both in volume and in value.[369]

(186) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA categories and potential sub-segments in Portugal.

(187) *Firstly*, the merged entity's combined market share in Portugal is below 30% for washing machines, built-in washing machines, and freestanding washing machines (both in terms of volume and value).[370] The merged entity's combined market share in Portugal in respect of dishwashers, tumble dryers, and freestanding tumble dryers

369 M.11086 – RFI 17 – Q2; competitors' market share estimates are provided at MDA9 level volume-based for 2022.

370 Form CO, Section 6 - Annex 140.

is comparatively higher but remains below 40%.[371] Indeed, for the reasons set out in paragraphs (188) to (190) below, as well as in Section 5.1.1 above, with regards to the MDA market, a higher level of market shares does not necessarily translate into higher market power.

(188) *Secondly*, there are sufficient alternative suppliers competing with Arçelik and the Target across MDA categories and price points in Portugal. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors, as well as Liebherr and Hisense.[372] The majority of these players have a local presence in Portugal (or a neighbouring country)[373] and the majority of competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[374] The majority of customers having expressed their opinion confirmed that, in the event that they could no longer purchase from the Parties, they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, for all MDA categories.[375] Furthermore, customers named several brands that could serve as close alternatives to the Parties, such as Balay, Candy, Zanussi, Siemens, Electrolux, LG, AEG, and others.[376]

(189) *Thirdly*, the majority of respondents confirmed that they would be able to switch suppliers across MDA categories in Portugal. As one customer explained: "[y]*ou could easily look for a local supplier with similar products*".[377]

(190) *Fourthly*, a majority of customers having expressed their opinion confirmed that Arçelik and the Target are not closer competitors between themselves compared to other alternative suppliers in relation to any particular MDA category in Portugal.[378] The competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. One customer outlined: "*Arcelik and Whirlpool bands compete with each other as with other MDA suppliers like Bsh, Haier, Samsung, LG, Hisense....*". [379]

(191) *Fifthly*, with regards to freestanding dishwashers specifically, where the Parties' combined market shares post-Transaction in Portugal are higher than for other MDA categories, the Transaction would not raise competition concerns. Indeed, while the Parties would be the largest competitor post-Transaction, there would still remain alternatives, such as BSH ([10-20]% in volume, [20-30]% in value), Haier ([5-10]% in volume, [5-10]% in value), LG ([0-5]% in volume, [5-10]% in value), and Electrolux ([0-5]% in volume, [0-5]% in value). Finally, a majority of customers having expressed their opinion have explained that they would still have access to sufficient suppliers other than the Parties post-Transaction.[380]

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371 Form CO, Section 6 - Annex 140.
372 Form CO, Section 6 - Annex 140.
373 M.11086 – Section 8 – Annex 1.
374 Replies to 02 - Questionnaire to competitors, question E.B.1.
375 Replies to 05 - Questionnaire to EEA customers, question F.Q.5.
376 Replies to 05 - Questionnaire to EEA customers, question F.Q.11.
377 Replies to 05 - Questionnaire to EEA customers, questions F.Q.3 and F.Q.4.
378 Replies to 05 - Questionnaire to EEA customers, question F.Q.9.
379 Replies to 05 - Questionnaire to EEA customers, question F.Q.10.
380 Replies to 05 - Questionnaire to EEA customers, question F.Q.5.

(192) Moreover, customers active in Portugal did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Portugal.[381]

5.2.2.20. Romania

(193) The Transaction results in affected markets with respect to the following MDA categories, and their potential sub-segments, in Romania:

Table 20 – Romania (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA[382]	[30-40]%	[10-20]%	**[40-50]%**	[30-40]%	[10-20]%	**[40-50]%**
Cooking appliances	[30-40]%	[10-20]%	**[40-50]%**	[30-40]%	[10-20]%	**[40-50]%**
Built-in cooking appliances	[30-40]%	[10-20]%	**[40-50]%**	[20-30]%	[10-20]%	**[40-50]%**
Freestanding cooking appliances	[30-40]%	[0-5]%	**[30-40]%**	[40-50]%	[0-5]%	**[40-50]%**
Cookers	[30-40]%	[0-5]%	**[30-40]%**	[40-50]%	[0-5]%	**[40-50]%**
Built-in hobs	[20-30]%	[10-20]%	**[40-50]%**	[20-30]%	[10-20]%	**[30-40]%**
Built-in ovens	[30-40]%	[10-20]%	**[50-60]%**	[20-30]%	[10-20]%	**[40-50]%**
Hoods	[20-30]%	[5-10]%	**[30-40]%**	[20-30]%	[5-10]%	**[30-40]%**
Dishwashers	[20-30]%	[20-30]%	**[40-50]%**	[20-30]%	[20-30]%	**[40-50]%**
Built-in dishwashers	[20-30]%	[20-30]%	**[40-50]%**	[10-20]%	[20-30]%	**[40-50]%**
Freestanding dishwashers	[30-40]%	[20-30]%	**[50-60]%**	[30-40]%	[20-30]%	**[50-60]%**
Freezers	[40-50]%	[0-5]%	**[40-50]%**	[40-50]%	[0-5]%	**[50-60]%**
Freestanding freezers	[40-50]%	[0-5]%	**[40-50]%**	[40-50]%	[0-5]%	**[50-60]%**
Built-in microwave ovens	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[20-30]%	**[30-40]%**
Refrigerators	[40-50]%	[0-5]%	**[50-60]%**	[40-50]%	[5-10]%	**[40-50]%**
Built-in refrigerators	[40-50]%	[10-20]%	**[60-70]%**	[40-50]%	[10-20]%	**[50-60]%**
Freestanding refrigerators	[40-50]%	[0-5]%	**[50-60]%**	[40-50]%	[0-5]%	**[40-50]%**
Tumble dryers	[20-30]%	[5-10]%	**[30-40]%**	[20-30]%	[5-10]%	**[30-40]%**
Freestanding tumble dryers	[20-30]%	[5-10]%	**[30-40]%**	[20-30]%	[5-10]%	**[30-40]%**

381 Replies to 05 - Questionnaire to EEA customers, questions F.P.14.

382 All MDA in Romania includes washing machines, refrigerators, cooking appliances, tumble dryers, dishwashers, freezers, microwave ovens, hobs, and hoods.

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
Washing machines	[30-40]%	[10-20]%	**[50-60]%**	[30-40]%	[10-20]%	**[40-50]%**
Built-in washing machines	[20-30]%	[40-50]%	**[70-80]%**	[20-30]%	[40-50]%	**[60-70]%**
Freestanding washing machines	[30-40]%	[10-20]%	**[50-60]%**	[30-40]%	[10-20]%	**[40-50]%**

Source: Form CO – Section 6 – Annex 101

(194) Historically, Arçelik has been strong in Romania where it is present with several known brands, notably Arctic, a historic local brand which it acquired in 2002, Beko and Grundig. Arçelik has two manufacturing sites in Romania which produce freezers, refrigerators and washing machines.[383] Whirlpool is present in Romania mainly with its brands Indesit and Whirlpool. While it has a local presence, Whirlpool does not manufacture MDA in Romania.

(195) Despite the high combined market shares of the Parties in several MDA categories, for the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA categories or potential sub-segments in Romania.

(196) *First*, while Arçelik is the market leader in Romania ([30-40]% by volume, [30-40]% by value, at the level of all MDA in 2022), it has seen market share losses across MDA in Romania since 2018 (-[0-5] percentage points by volume, -[0-5] percentage points by value). Whirlpool's shares have also seen a […] decline since 2014 (-[10-20] percentage points in volume, -[10-20] percentage points in value across branded MDA in Romania).[384] Similarly, Whirlpool's marketing spend in Romania has decreased by approximately [30-40]% between 2018 and 2022,[385] while Arçelik's marketing spend decreased by approximately [10-20]% in the same period. At the same time, the growth of Asian players in Romania has persisted. Most notably, Samsung gained [0-5] percentage points in volume and [0-5] percentage points in value since 2018 (from [5-10]% to [5-10]% by volume, and from [5-10]% to [10-20]% by value),[386] Haier gained [0-5] percentage points by volume and [0-5] percentage points by value (from [0-5]% to [0-5]%, and from [0-5]% to [0-5]%) and Hisense gained [0-5] percentage points in volume and [0-5] percentage point in value (from [0-5]% to [5-10]%, and from [0-5]% to [0-5]%). The aggressive commercial strategy of Asian players to gain market shares in Romania is

383 From its manufacturing sites in Romania, [information relating to Arçelik's manufacturing sites] (units) of the total production in freezers, refrigerators and washing machines, respectively. [Information relating to Arçelik's manufacturing sites].

384 Evidenced also in Whirlpool's internal documents, see Form CO - Section 7 - Annex 161, slide 10 ("[information relating to Whirlpool's internal competitive assessment]"); Form CO - Section 7 - Annex 159, "[information relating to Whirlpool's internal competitive assessment]", slides 22-26; and Form CO - Section 7 - Annex 161, slide 10: "[information relating to Whirlpool's internal competitive assessment]".

385 Form CO, Table 143.

386 According to a brand awareness and predisposition report commissioned by Arçelik in Q3 2022 and submitted by the Notifying Party, [information relating to Arçelik's internal competitive assessment] and [information relating to Arçelik's internal competitive assessment], Form CO - Section 1 – Annex 43, slide 47.

also evidenced in the Parties' internal documents: Arçelik notes that "[information relating to Arçelik's internal competitive assessment]".[387]

(197) In that respect, the majority of Romanian customers confirmed during the Commission's market investigation that Haier/Candy and Hisense/Gorenje have significantly increased their market presence in Romania in the past five years, adopting aggressive sales and marketing strategy.[388] By way of illustration, [information relating to Target's market presence in Romania].[389]

(198) In addition, private labels have expanded their market presence in Romania since 2018 (e.g. Heinner gained [0-5] percentage points in volume – from [0-5]% to [5-10]%, and [0-5] percentage points in value – from [0-5]% to [0-5]%, and Vortex gained [0-5] percentage points in volume – from less than [0-5]% to [0-5]%, and [0-5] percentage points in value – from less than [0-5]% to [0-5]%).[390] The growth of the private labels in Romania is reflected in the Parties' internal documents: Arçelik's internal documents mention the "[information relating to Arçelik's internal competitive assessment]" and "[information relating to Arçelik's internal competitive assessment]".[391] This is also confirmed by the market investigation with one market participant noting that in the past five years "[w]*e have* […] *noticed an increase in the sales for the private labels of major MDA online sellers*",[392] while the majority of market participants indicated that private labels compete with branded MDA within the same price point category.[393]

(199) *Second*, post-Transaction, the Commission concludes that the Parties will be constrained by a number of established global competitors that are active across MDA categories in the EEA. These notably include Electrolux ([5-10]% by volume, [5-10]% by value), BSH ([0-5]% by volume, [5-10]% by value, which also gained market share since 2018 – [0-5] and [0-5] percentage point respectively), LG ([0-5]% by volume, [5-10]% by value), Amica, Sharp, Hisense, Haier, as well as private labels such as Heinner and Vortex.[394] The majority of these players have a local presence in Romania[395] and some also have manufacturing capacity (e.g. Haier). Competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA (including in Romania).[396]

(200) *Third,* the majority of Romanian customers indicated that they currently have and will continue to have post-Transaction sufficient alternative MDA suppliers to turn to, irrespective of MDA category or price point.[397] Market participants listed Candy, Haier, Heinner, Samsung, LG and Electrolux as close alternatives to the Parties.[398] Accordingly, the Notifying Party in internal documents from 2021 mentions [information relating to Arçelik's internal competitive assessment] as winning share

387 Form CO - Section 7 - Annex 4, slide 4; Form CO - Section 7 - Annex 6, slide 6.
388 Replies to 01 - Questionnaire to customers Romania, question E.F.2.
389 Form CO – Section 6 – Annex 101.
390 Form CO – Section 6 – Annex 101.
391 Form CO - Section 7 - Annex 6, slide 5; Form CO - Section 7 - Annex 6, slide 8; Form CO – Section 7 - Annex 6, slide 3.
392 Replies to 01 - Questionnaire to customers Romania, question E.F.2. [Metro AG].
393 Replies to 01 - Questionnaire to customers Romania, question C.8.
394 Market shares of competitors are shown in terms of 2022 GfK volume data.
395 These include BSH, Electrolux, Gorenje, LG, Miele, Samsung, De'Longhi, Vestel, and Winia.
396 Replies to 02 - Questionnaire to competitors, question E.B.1.
397 Replies to 01 - Questionnaire to customers Romania, question E.C.6.
398 Replies to 01 - Questionnaire to customers Romania, question E.D.5.

[information relating to Arçelik's internal competitive assessment], and that "[information relating to Arçelik's internal competitive assessment]".[399] Arçelik also monitors […] the competitive moves of [information relating to Arçelik's internal competitive assessment], while it is mentioning that "[information relating to Arçelik's internal competitive assessment]".[400] At the same time, it has been monitoring [information relating to Arçelik's internal competitive assessment],[401] confirming the views of market participants that these brands compete […] with Arçelik in Romania. Moreover, according to a brand awareness report commissioned by Arçelik "[information relating to Arçelik's internal competitive assessment]".[402]

(201) *Fourth*, the majority of Romanian customers and the vast majority of competitors have stated that the Parties do not offer any must-have products.[403] The majority of Romanian customers have in the past successfully delisted either one or both of the Parties or have significantly reduced their purchase volumes.[404] For example, in April 2020 [information relating to the Parties' Romanian customers].[405] Due to these decisions by major retailers, [information relating to the Parties' Romanian customers].[406] [information relating to the Parties' Romanian customers].[407] [information relating to the Parties' Romanian customers].[408]

(202) *Fifth*, the Commission notes that the Parties' customer base in Romania is highly concentrated with the three main retail chains in Romania (Altex, Flanco, and Dante (eMag) – the latter two of which are part of the same group of companies and provide their own private label MDA series) accounting for approximately [80-90]% of the total MDA sales in Romania.[409] On the other hand, according to data provided by the Notifying Party, eMag, the biggest online retailer in Romania, is also increasing the visibility of the Parties' competitors on its website. For example, in cooling products (i.e., refrigerators and freezers together), Liebherr is the brand with the most products available on eMag, despite having less than [0-5]% market share according to latest GfK data.[410] The Commission therefore concludes that customers have the ability to constrain the Parties by shifting volumes to other manufacturers.

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399 Form CO - Section 7 – Annex 6, 'Strategic Planning SC Arctic S.A. Subsidiary LTP Template, March 2021', Slide 9.

400 Form CO - Section 7 – Annex 6, 'Strategic Planning SC Arctic S.A. Subsidiary LTP Template, March 2021', Slide 10.

401 Form CO - Section 7 – Annex 6, 'Strategic Planning SC Arctic S.A. Subsidiary LTP Template, March 2021', Slides 7, 11-12.

402 Brand awareness and predisposition report of Arçelik for Q3 2022, using proprietary data from GfK for Romania, Form CO - Section 1 - Annex 43, slide 55.

403 Replies to 01 - Questionnaire to customers Romania, question E.D.1; Replies to 02 – Questionnaire to Competitors, question E.C.1.

404 Replies to 01 - Questionnaire to customers Romania, question E.B.12.

405 Form CO – Section 6 – Annex 101.

406 Form CO - Section 7 - Annex 159, slides 37 and 39.

407 Form CO - Section 6 - Annex 114; Annex 115; Annex 117; Annex 119; Annex 121 – and Annex 123 (along with the courtesy translations from Romanian to English in Annexes Form CO - Section 6 - Annex 113; Annex 116; Annex 118; Annex 120; Annex 122 and Annex 124).

408 Form CO – Section 6 – Annex 101.

409 They accounted for approximately […]% of Whirlpool's and […]% of Arçelik's MDA sales in Romania in 2022, and for […]% of the Parties' combined sales. Form CO – Section 6 – Annex 101; Replies to 01 - Questionnaire to customers Romania, question B.1.

410 Form CO – Section 6 – Annex 101.

(203) *Finally*, with regards to the impact of the Transaction, a majority of customers who expressed their opinion indicated that for all MDA the Transaction would have a neutral or positive impact, while the majority of respondents did not raise concerns.[411]

(204) The rest of this section provides a more detailed competitive assessment of the specific product markets and potential sub-categories of MDA, where the Parties' combined market share is above 40%.[412]

(205) *First*, the Commission notes that customers in Romania will have numerous alternatives from which they can source cooking appliances in Romania. These competitors include: Electrolux ([20-30]% in value; [10-20]% in volume), Hisense ([5-10]% in value; [5-10]% in volume), BSH ([5-10]% in value; [0-5]% in volume), Amica ([0-5]% in value; [0-5]% in volume), Samsung ([0-5]% in value; [0-5]% in volume), Miele ([0-5]% in value) and Haier ([0-5]% in volume).[413] The same is true for the potential built-in sub-segment since most MDA manufacturers (e.g., Amica, Electrolux, and Hisense) offer both built-in and freestanding cooking appliances in Romania. The results of the market investigation showed that most customers currently procure or could procure cooking appliances from more than five suppliers,[414] while most customers also responded that they can be supplied with both types of cooking appliances by most MDA manufacturers.[415] Finally, the Commission observes that the Transaction will bring about only a small increment of [0-5]% and is thus not expected to significantly change the competitive dynamics in relation to cookers and freestanding cooking appliances.

(206) *Second*, regarding dishwashers, the Parties' respective market shares in dishwashers in Romania have both decreased since 2018 (Arçelik: -[0-5] percentage points in value, -[0-5] percentage points in volume; Whirlpool: -[0-5] percentage points in value, -[0-5] percentage points in volume), while competitors such as Electrolux and Samsung have rather gained market share. Whirlpool's internal documents suggest [information relating to the Target's internal forecasts].[416] Customers have many alternative options from whom to procure washing machines, with at least 8 suppliers of dishwashers in Romania, offering numerous brands across various price points who will continue to effectively constrain the Parties. These competitors include, among others, BSH ([20-30]% in value; [10-20]% in volume), Electrolux ([10-20]% in value; [10-20]% in volume), Hisense ([0-5]% in value; [5-10]% in volume), Miele ([0-5]% in value), Samsung ([0-5]% in value; [0-5]% in volume), Haier ([0-5]% in value; [0-5]% in volume), Amica ([0-5]% in volume), and others

411 Replies to 01 - Questionnaire to customers Romania, questions F.9 and F.11.

412 i.e. Cooking appliances ([40-50]% by volume, [40-50]% by value) and built-in cooking appliances ([40-50]% by volume, [40-50]% by value), built-in hobs ([40-50]% by volume, [30-40]% by value) and ovens ([50-60]% by volume, [40-50]% by value), dishwashers ([40-50]% by volume, [40-50]% by value), built-in ([40-50]% by volume, [40-50]% by value) and freestanding dishwashers ([50-60]% by volume, [50-60]% by value), freezers ([40-50]% by volume, [50-60]% by value), and freestanding freezers ([40-50]% by volume, [40-50]% by value), refrigerators ([40-50]% by volume, [40-50]% by value), built-in ([40-50]% by volume, [50-60]% by value) and freestanding refrigerators ([40-50]% by volume, [40-50]% by value), washing machines ([50-60]% by volume, [40-50]% by value) and built-in ([70-80]% by volume, [60-70]% by value) and freestanding washing machines ([50-60]% by volume, [40-50]% by value).

413 Market shares refer to 2022 data.

414 Replies to 01 - Questionnaire to customers Romania, question E.C.2.

415 Replies to 01 - Questionnaire to customers Romania, question C.7.

416 Form CO - Section 7 - Annex 161, slide 10.

([5-10]% in value; [5-10]% in volume). Pursuant to GfK data, the situation looks the same in relation to the potential sub-segments of built-in and freestanding dishwashers, where the Parties face competition from BSH, Electrolux,[417] Miele, Hisense, Samsung, Teka, Amica, Haier,[418] and Sharp. The results of the market investigation have confirmed this, given that the majority of Romanian customers have stated that they currently procure or could procure dishwashers (built-in and freestanding) from more than five suppliers.[419] Furthermore, most customers concluded that most MDA manufacturers are able to supply both freestanding and built-in dishwashers in Romania.[420]

(207) *Third*, customers will also have sufficient alternatives to procure freezers in Romania from competitors who will continue to exert competitive pressure on the merged entity post-Transaction. The Parties' competitors in the potential freestanding sub-subsegment include Hisense ([10-20]% in value, [10-20]% in volume), Haier ([5-10]% in value, [10-20]% in volume), Electrolux ([0-5]% in value, [0-5]% in volume), Liebherr ([0-5]% in value, [0-5]% in volume), Ldk ([0-5]% in value, [0-5]% in volume), Midea ([0-5]% in value, [0-5]% in volume), Daewoo ([0-5]% in value, [0-5]% in volume), Nobeltek ([0-5]% in value, [0-5]% in volume), Sharp ([0-5]% in value, [0-5]% in volume), and others ([10-20]% in value, [20-30]% in volume). The results of the Commission's market investigation confirmed that customers have sufficient alternatives.[421] Moreover, the Commission notes that the increment brought about by the Transaction is very limited ([0-5]%), which indicates that the Transaction is not expected to significantly alter the competitive dynamics in Romania. Finally, according to data submitted by the Notifying Party, the Parties' market position is declining during the past years in Romania given that both Parties' market share in freezers have decreased since 2018 (Arçelik: -[5-10] percentage points in value, -[10-20] percentage points in volume; Whirlpool: -[0-5] percentage points in value, -[0-5] percentage points in volume). During this period, other players (in particular Asian players) have increased their share, such as Haier and Hisense (Haier: +[5-10] percentage points in value, +[5-10] percentage points in volume; Hisense: +[5-10] percentage points in value, +[5-10] percentage points in volume). In addition, between January and June 2023, Gorenje's and Candy's share increased by [0-5] and [5-10] percentage points respectively. The Commission thus concludes that the Parties' market power might be less than that indicated by their combined market share in freezers in Romania.

(208) *Fourth*, the Parties will continue to face competition from numerous alternative MDA suppliers in relation to the potential sub-segments of built-in and freestanding refrigerators in Romania. The Parties face competition from Samsung ([10-20]% in

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417 While Electrolux currently has a lower presence in the potential freestanding dishwashers segment in Romania, it has a stronger presence in the freestanding segment in other countries (e.g., Denmark with [50-60]% share in value, Sweden with [60-70]% share in value, and Czech Republic with [10-20]% share in value). Electrolux could therefore rely on this presence in other countries to expand its presence in the freestanding dishwashers segment in Romania.

418 Haier is active in the freestanding dishwashers segment in Romania, but less so in the built-in segment. However, Haier is active in the built-in dishwashers segment in other countries (e.g. Croatia with [10-20]% share in value, and Italy with [10-20]% share in volume). It could therefore rely on its presence in other countries to expand its presence in the built-in dishwashers segment in Romania.

419 Replies to 01 - Questionnaire to customers Romania, question E.C.2.

420 Replies to 01 - Questionnaire to customers Romania, question B.3.

421 Replies to 01 - Questionnaire to customers Romania, question E.C.2.

value, [10-20]% in volume), Electrolux ([5-10]% in value, [5-10]% in volume),[422] BSH ([5-10]% in value, [0-5]% in volume), Liebherr ([0-5]% in value, [0-5]% in volume), Haier ([0-5]% in value, [5-10]% in volume), Hisense ([0-5]% in value, [0-5]% in volume), Miele ([0-5]% in value, [0-5]% in volume), others ([0-5]% in value, [0-5]% in volume), and Samsung (.[10-20]% in value, [10-20]% in volume), LG ([5-10]% in value, [5-10]% in volume), Hisense ([5-10]% in value, [5-10]% in volume), BSH ([0-5]% in value, [0-5]% in volume), Haier ([0-5]% in value, [0-5]% in volume), Sharp ([0-5]% in value, [0-5]% in volume), Liebherr ([0-5]% in value, [0-5]% in volume), others ([10-20]% in value, [10-20]% in volume), respectively. Intensified competition has resulted in Gorenje's share increasing by [0-5] percentage points, while Beko losing [0-5] percentages points between January and June 2023.[423] The results of the market investigation confirmed that the majority of customers currently procure or could procure refrigerators (including built-in) from more than five suppliers, while sufficient alternatives remain also for freestanding refrigerators.[424] Most Romanian customers concluded that most MDA manufacturers are able to supply both types of refrigerators in Romania.[425] The Notifying Party also submitted data indicating that both Parties' market shares in refrigerators in Romania have generally decreased since 2018 (Arçelik: -[0-5] percentage points in value, -[0-5] percentage points in volume; Whirlpool: -[5-10] percentage points in value, -[5-10] percentage points in volume). This is evidenced in the Parties' internal documents; in particular, Whirlpool's "[information relating to Target's internal competitive assessment]" in Romania[426] Finally, it is expected that certain competitors will significantly increase capacity, such as Haier who recently built a new refrigerator plant outside of Bucharest with an annual production capacity of over […] refrigerators per year.[427]

(209) Finally, in relation to washing machines, both Parties have lost shares in washing machines since 2018 in Romania (Arçelik: [0-5] percentage points in value, [0-5] percentage points in volume; Whirlpool: [5-10] percentage points in value, [5-10] percentage points in volume). The washing machine segment in Eastern Europe [information relating to Arçelik's internal competitive assessment].[428] This trend has intensified, as between January and June 2023, Candy's share increased by [0-5] percentage points, while Beko and Indesit respectively lost [0-5] percentages points.[429] The Commission therefore concludes that the Parties' market power might be slightly less than what their combined market shares indicate. With regards to the built-in segment, the Commission notes that its size in Romania is notably small: only […] units or approximately [0-5]% of total washing machines in 2022 were built-in. Given the small size of the built-in sub-segment, every unit sold has a large

422 Electrolux already sells freestanding refrigerators in other EEA countries (e.g., Sweden with [20-30]% shares in value and volume, and Norway with [5-10]% shares in value and volume). Therefore, it could rely on this presence to expand its presence in this segment in Romania.

423 Form CO - Section 6 - Annex 101.

424 Replies to 01 - Questionnaire to customers Romania, question E.C.2.

425 Replies to 01 - Questionnaire to customers Romania, question C.7.

426 Form CO - Section 7 - Annex 156, slide 5. See also: the refrigerator segment in Eastern Europe [information relating to Arçelik's internal competitive assessment] – Form CO - Section 7 - Annex 4, slide 2; Whirlpool's internal documents suggest that [information relating to Target's internal competitive assessment] – Form CO - Section 7 - Annex 161, slide 10; Form CO - Section 7 – Annex 155, slide 4; and Form CO - Section 7 - Annex 154, slide 4.

427 Form CO - Section 6 - Annex 101.

428 Form CO - Section 7 - Annex 4 - Confidential, slide 2.

429 Form CO - Section 6 - Annex 101.

effect on the market share of the Parties. Moreover, the Commission also notes that according to data submitted by the Notifying Party, the following MDA suppliers will continue to exert competitive constraint against the Parties in the potential freestanding sub-segment: Samsung ([10-20]% in value, [10-20]% in volume), LG ([5-10]% in value, [5-10]% in volume), Electrolux ([5-10]% in value, [0-5]% in volume), Haier ([5-10]% in value, [5-10]% in volume), BSH ([0-5]% in value, [0-5]% in volume),[430] Hisense ([0-5]% in value, [0-5]% in volume), Miele ([0-5]% in value, [0-5]% in volume),[431] Others ([5-10]% in value, [5-10]% in volume). The results of the market investigation confirmed that the majority of customers currently procure or could procure washing machines (including freestanding) from more than five suppliers, and they consider that sufficient alternatives would remain also for built-in washing machines.[432] Furthermore, most customers concluded that most MDA manufacturers are able to supply both freestanding and built-in refrigerators in Romania.[433]

(210) For the reasons set out above, the Commission considers that the Transaction does not raise serious doubts in respect of the affected MDA markets and potential sub-segments in Romania.

5.2.2.21. Slovakia

(211) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Slovakia:

Table 21 - Slovakia (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[10-20]%**
Dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[10-20]%	[10-20]%	**[20-30]%**
Built-in dishwashers	[10-20]%	[10-20]%	**[20-30]%**	[5-10]%	[10-20]%	**[20-30]%**
Freestanding dishwashers	[10-20]%	[10-20]%	**[30-40]%**	[10-20]%	[10-20]%	**[30-40]%**
Freezers	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[10-20]%	**[20-30]%**
Freestanding freezers	[5-10]%	[20-30]%	**[30-40]%**	[5-10]%	[10-20]%	**[20-30]%**

430 BSH is less active in the freestanding washing machines segment in Romania. However, BSH is active in the freestanding washing machines segment in other countries (e.g. Germany with [20-30]% share in value, Greece with [20-30]% share in value). It could therefore rely on its presence in other countries to expand its presence in the freestanding washing machines segment in Romania.

431 While Miele currently has a limited presence in the freestanding washing machines segment in Romania, it has a stronger presence in the freestanding segment in other countries (e.g., Austria with [30-40]% share in value, Germany with [20-30]% share in value). Miele could therefore rely on this presence in other countries to enter and expand in the freestanding washing machines segment in Romania.

432 Replies to 01 - Questionnaire to customers Romania, question E.C.2.

433 Replies to 01 - Questionnaire to customers Romania, question C.7.

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
Microwaves						
Built-in microwaves	[5-10]%	[10-20]%	**[20-30]%**	[5-10]%	[20-30]%	**[20-30]%**
Refrigerators						
Built-in refrigerators	[5-10]%	[30-40]%	**[40-50]%**	[5-10]%	[30-40]%	**[40-50]%**
Washing machines	[5-10]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**
Built-in washing machines	[5-10]%	[40-50]%	**[40-50]%**	[5-10]%	[30-40]%	**[30-40]%**
Freestanding washing machines	[5-10]%	[20-30]%	**[30-40]%**	[0-5]%	[20-30]%	**[20-30]%**

Form CO, Section 6 - Annex 140.

(212) The MDA landscape in Slovakia is competitive and fragmented. The Parties are moderate players with a combined market share at all MDA level in 2022 of below 25% ([10-20]% in terms of value; and [20-30]% in terms of volume). The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA. These include Hisense (approx. [20-30]%), Electrolux (approx. [10-20]%), Samsung (approx. [5-10]%), BSH (approx. [5-10]%), LG (approx. [5-10]%), private labels (approx. [5-10]%), and Haier (approx. [0-5]%).[434]

(213) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA categories and potential sub-segments in Slovakia.

(214) *Firstly*, the merged entity's combined market share in Slovakia is below 30% for dishwashers, built-in dishwashers, and built-in microwaves.[435] The merged entity's combined market share in Slovakia in respect of freestanding dishwashers, freezers, freestanding freezers, washing machines, and freestanding washing machines is comparatively higher but remains below 40%.[436] Indeed, for the reasons set out in paragraphs (215) to (217) below, as well as in Section 5.1.1 above, with regards to the MDA market, a higher level of market shares does not necessarily translate into higher market power.

(215) *Secondly*, there are sufficient alternative suppliers competing with Arçelik and the Target across MDA categories and price points in Slovakia. Post-Transaction, the Parties will continue to be constrained by all the above mentioned competitors, as well as Haier and Amica.[437] The majority of these players have a local presence in

434 M.11086 – RFI 17 – Q2; competitors' market share estimates are provided at MDA9 level volume-based for 2022.
435 Form CO, Section 6 - Annex 140.
436 Form CO, Section 6 - Annex 140.
437 Form CO, Section 6 - Annex 140.

Slovakia (or a neighbouring country)[438] and the majority of competitors that expressed a view confirmed to have sufficient excess spare capacity to expand their presence in the EEA.[439] The majority of customers having expressed their opinion confirmed that, in the event that they could no longer purchase from the Parties, they would have sufficient alternative suppliers across MDA categories to turn to post-Transaction, for all MDA categories.[440] The Parties in Slovakia do not have any must-have products to offer to customers.[441] Furthermore, customers named several brands that could serve as close alternatives to the Parties, such as Electrolux, Gorenje, Bosch, AEG, Samsung, Candi, Mora, and others.[442]

(216) *Thirdly*, the majority of respondents confirmed that they would be able to switch suppliers across MDA categories in Slovakia. As one customer explained: "*the market is very competitive so it is easy to switch*".[443]

(217) *Fourthly*, a majority of customers having expressed their opinion confirmed that Arçelik and the Target are not closer competitors between themselves compared to other alternative suppliers in relation to any particular MDA category in Slovakia.[444] The competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. One customer outlined: "*many brands have very similar product lines and compete for similar customers.* [A]*rcelik and* [W]*hirlpool are no exception*".[445]

(218) *Fifthly*, with regards to built-in refrigerators and built-in washing machines specifically, where the Parties' combined market shares post-Transaction in Slovakia are higher than for other MDA categories, the Transaction would not raise serious doubts. Indeed, while the Parties would be the largest competitor post-Transaction, the increment from the Transaction would be comparatively modest (for built-in refrigerators, [5-10]% in value and [5-10]% in volume; for built-in washing machines, [5-10]% in value and [5-10]% in volume). Furthermore, there would still remain alternatives. For built-in refrigerators: Electrolux ([10-20]% in volume, [10-20]% in value), BSH ([5-10]% in volume, [10-20]% in value), Samsung ([5-10]% in volume, [10-20]% in value), Hisense ([5-10]% in volume, [5-10]% in value), and Liebherr ([0-5]% in volume, [5-10]% in value). For built-in washing machines: Electrolux ([20-30]% in volume, [30-40]% in value), Haier ([10-20]% in volume, [10-20]% in value), BSH ([5-10]% in volume, [5-10]% in value), and private labels ([0-5]% in volume, [5-10]% in value). Furthermore, a majority of customers having expressed their opinion have explained that they would still have access to a few suppliers other than the Parties post-Transaction.[446]

(219) Finally, customers active in Slovakia did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Slovakia.[447]

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438 M.11086 – Section 8 – Annex 1.
439 Replies to 02 - Questionnaire to competitors, question E.B.1.
440 Replies to 05 - Questionnaire to EEA customers, question F.R.5.
441 Replies to 05 - Questionnaire to EEA customers, question F.R.7.
442 Replies to 05 - Questionnaire to EEA customers, question F.R.11.
443 Replies to 05 - Questionnaire to EEA customers, questions F.R.3 and F.R.4.
444 Replies to 05 - Questionnaire to EEA customers, question F.R.9.
445 Replies to 05 - Questionnaire to EEA customers, question F.R.10.
446 Replies to 05 - Questionnaire to EEA customers, question F.R.5.
447 Replies to 05 - Questionnaire to EEA customers, questions F.R.14.

5.2.2.22. Slovenia

(220) The Transaction results in affected markets in respect of the following MDA categories, and potential respective sub-segments, in Slovenia:

Table 22 - Slovenia (2022)

Category / potential sub-segment	Market share (%) – volume			Market share (%) – value		
	Arçelik	Target	Combined	Arçelik	Target	Combined
All MDA	-	-	**-**	-	-	-
Freezers	[20-30]%	[0-5]%	**[20-30]%**	[20-30]%	[0-5]%	**[20-30]%**

Form CO, Section 6 - Annex 140.

(221) The MDA landscape in Slovenia is competitive and fragmented. The Target's activities in Slovenia are limited, with its market shares always below 30% in any plausible MDA category and sub-category. The Parties will continue to be constrained by numerous established global competitors that are active across MDA categories with spare capacity to serve customers in the EEA. These include Hisense (approx. [30-40]%), BSH (approx. [10-20]%), Haier (approx. [10-20]%), and Electrolux (approx. [5-10]%).[448]

(222) For the reasons set out below, the Commission considers that the Transaction does not raise serious doubts in respect of the relevant MDA categories and potential sub-segments in Slovenia.

(223) *Firstly*, the merged entity's combined market share in Slovenia would give rise to only one affected market: freezers. For this affected market, the combined market share is well below 30%, and the increment is very limited ([0-5]%) (both in terms of volume and value).[449]

(224) *Secondly*, the majority of respondents confirmed that they would be able to switch suppliers across MDA categories in Slovenia.

(225) *Thirdly*, a majority of customers having expressed their opinion confirmed that Arçelik and the Target are not closer competitors between themselves compared to other alternative suppliers in relation to any particular MDA category in Slovenia.[450] The competitive pressure exerted by the Parties on each other is likely to be less than that suggested by the combined market share and the market share increments. One customer outlined: "[T]*hey are competitors, but not closer than with other brands, they have different strength at the moment, but this might change in close future*".[451]

(226) Finally, customers active in Slovenia did not raise any concerns with respect to the impact of the Transaction on any of the affected MDA markets in Slovenia.[452]

448 M.11086 - Section 7 - Annex 216. Competitor's market shares provided volume-based for 2022.
449 Form CO - Section 6 - Annex 140.
450 Replies to 05 - Questionnaire to EEA customers, question F.S.9.
451 Replies to 05 - Questionnaire to EEA customers, question F.S.10.
452 Replies to 05 - Questionnaire to EEA customers, questions F.P.14.

5.3. MINORITY SHAREHOLDING

(227) As part of the Transaction, Whirlpool will acquire approximately 25% in Beko Europe.[453] This share represents the main exchange component of the consideration obtained by Whirlpool for the transfer to Beko Europe of its EMEA MDA business. The Commission routinely reviews exchange offers resulting in the corollary acquisition of minority interests, which also entails carrying out an assessment of the competitive interactions between the undertaking in which the minority interest is obtained and the retained activities of the holder of that interest, i.e., Whirlpool in the present case.[454]

(228) Hence, within the framework of the merger control assessment of the Transaction, the Commission has considered whether the structural link created by the acquisition of that minority interest could weaken Whirlpool's and Beko Europe's incentives to compete in the sale of small domestic appliances in the EEA.[455]

(229) In particular, Whirlpool's SDA business and the KitchenAid brand will be retained by Whirlpool and will not be contributed to Beko Europe. As such, after closing, Whirlpool and Beko Europe, where Whirlpool will hold a minority stake, will compete on the markets for the supply of SDA in the EEA.

(230) The Commission has in the past examined the market for the sale of SDA comprising thirteen product categories: deep fryers, mini ovens, toasters, sandwich and waffle makers, appliances for informal meals ('pierrade', 'wokparty', 'raclette', 'fondue', etc.), electric barbecue and interior grills, rice cookers and steam cookers, electric filter coffee makers, kettles, espresso coffee machines, mixers and food mixers, irons/steam stations, and personal care appliances (health and beauty appliances).[456] The Commission left open the question on whether the above broad categories of SDA should be further segmented.[457] On the geographic scope of the market, the Commission previously concluded that SDA markets are national in scope.[458] The Commission will apply the above definition of the market in the present case.

(231) The non-MDA activities that Arçelik will contribute to Beko Europe and Whirlpool's retained activities overlap in six of the above SDA product markets, namely food preparation appliances, kettles, toasters, cookers, espresso machines/makers, and electric filter coffee makers. Therefore, the minority stake acquisition by Whirlpool in Beko Europe gives rise to a horizontal overlap between the activities of the Target and those retained by Whirlpool.

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453 [Information relating to the Transaction structure].

454 Commission decision of 26 February 2019 in Case COMP/M.8871 – RWE/E.ON Transfer Assets, paragraph 74.

455 Given that there is no actual vertical link between Whirlpool and Beko Europe (Arçelik's contributed SDA business) and that the Parties' market shares remain below 20%, input or customer foreclosure would not be discussed further in this Decision.

456 Commission decision of 8 January 2002 in Case COMP/M.2621 – SEB/MOULINEX, paragraph 16.

457 Commission decision of 8 January 2002 in Case COMP/M.2621 – SEB/MOULINEX, paragraphs 17-25.

458 Commission decision of 8 January 2002 in Case COMP/M.2621 – SEB/MOULINEX, paragraph 30.

5.3.1. The Notifying Party's view

(232) The Notifying Party submits that Whirlpool's minority stake in Beko Europe is intended to be purely financial in nature and will not give it any ability to exercise decisive influence over Beko Europe. In particular, while as a minority shareholder in Beko Europe, a limited number of Whirlpool representatives will have access to information which is usually shared with minority investors in order to protect their financial investment, this information will be ring-fenced to prevent access by any Whirlpool employee broadly active in the sale of SDA or managing Whirlpool's SDA strategy in Europe or beyond. According to the Notifying Party, the ring-fencing processes and necessary firewalls will be put in place before closing. Indicatively,

a) ***Board of Directors***. [Information relating to firewalls to be put in place].

b) ***Structural separation***. [Information relating to firewalls to be put in place]. As such, it will be relatively straightforward to separate the two businesses entirely at closing.

c) ***Contract separation***. [Information relating to firewalls to be put in place].

d) ***Training***. [Information relating to firewalls to be put in place].

(233) Overall, the Notifying Party concludes that Whirlpool's minority stake in Beko Europe would not result in horizontal effects, mainly because (i) Whirlpool has no ability to influence Beko Europe's (SDA) commercial conduct; (ii) absent this ability, Beko Europe's strategy is unlikely to change as the minority stake does not alter its incentives; and (iii) Whirlpool's incentives are not materially affected given the limited size of the share that it will hold in Beko Europe.

5.3.2. The Commission's assessment

(234) The Commission considers that the minority stake acquisition will not give rise to serious doubts with regard to the supply of SDA in the EEA, given that Whirlpool and Beko Europe will remain independent competitors in the market for the sale of SDA and that the minority stake will not have effects on Whirlpool's and Beko Europe's incentives to compete.

(235) *First*, Whirlpool and Beko Europe are both modest suppliers of SDA in the EEA. Across all product categories, Whirlpool's and Beko Europe's combined share remains well below 20% in the EEA and at national level and does not give rise to an affected market. Moreover, both Whirlpool's and Beko Europe's activities in the SDA market are rather limited: Whirlpool's EEA sales across all SDA segments amounted to approximately EUR […] million in 2022 and the overlapping SDA business that Arçelik will contribute to Beko Europe had a total of approximately EUR […] million sales in 2022 in the EEA. Therefore, even if Whirlpool raised its SDA prices in the hope of earning a return through its non-controlling minority stake in Beko Europe, this strategy would not likely be successful, given that the majority of its lost sales would divert to other players, such as the SEB, Bosch, Kenwood, Smeg, Philips and Spectrum.

Table 23 - Whirlpool's and Beko Europe's estimated combined shares for SDAs at the EEA and country levels (2022; value and volume)[459]

Country	Estimated share (value)					Estimated share (volume)				
	Food preparation	Kettles	Toasters	Espresso & Filter Coffee makers[460]	Cookers[461]	Food preparation	Kettles	Toasters	Espresso & Filter Coffee makers	Cookers
EEA	[10-20]%	[0-5]%	[0-5]%	<[0-5]%	<[0-5]%	[0-5]%	[0-5]%	[0-5]%	<[0-5]%	<[0-5]%
Austria	[10-20]%	[0-5]%	[5-10]%	*Not available.*	<[0-5]%	[5-10]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%
Belgium	[10-20]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%	[0-5]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%
Denmark	[10-20]%	[5-10]%	[5-10]%	*Not available.*	<[0-5]%	[5-10]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%
France	[5-10]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%	[0-5]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%
Germany	[10-20]%	[0-5]%	[5-10]%	*Not available.*	<[0-5]%	[5-10]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%
Italy	[5-10]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%	[0-5]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%
Netherlands	[10-20]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%	[0-5]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%
Sweden	[10-20]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%	[0-5]%	[0-5]%	[0-5]%	*Not available.*	<[0-5]%

Source: Form CO, Table 107

(236) *Second*, although Arçelik and Whirlpool operate within certain shared SDA categories, they are generally not active on the same price segments either at EEA or national level. In particular, Arçelik (as a small player in the SDA market with shares across all product categories [0-5]% under all plausible market definitions) typically positions its products towards the lower spectrum, while Whirlpool

459 The Notifying Party submitted that to the best of the Arçelik's and Whirlpool's knowledge and consistent with the 2022 GfK data, their market shares would not materially differ for 2020 (and 2021) in the EEA and at a national level, and were in any event below 20% in each of the three categories. The data submitted by the Notifying Party cover the period April-December 2021 and the segments available from GfK, Replies to Q2 of RFI 16.

460 According to the Notifying Party, both Arçelik and Whirlpool are de minimis players in this segment and confirm that their combined shares would not materially differ at the EEA level and at a national level, and are in any event (on a conservative basis) below 10% under any plausible market definition in the EEA. Replies to Q2 of RFI 16.

461 At the EEA level and in each EEA country, both Arçelik's and Whirlpool's estimate that their combined share in the cookers category remains below 5% in the past three years. In 2022, combined EEA sales of both for cookers amounted to only […] (Arçelik sold only […] cookers in 2022 in the EEA (only in […])). Replies to Q2 of RFI 16.

generally positions them at the premium end.[462] Moreover, the information submitted by Arçelik and Whirlpool shows that, at the EEA level, Whirlpool's prices are, on average, […] times higher for food preparation items, […] times higher for kettles, and […] times higher for toasters.[463] Equally, as shown in Table 24 below, [information relating to the Parties' pricing strategy]. Whirlpool's prices are on average […] times higher than Arçelik's prices, ranging from […] for espresso machines to […] for cookers. As such, Arçelik and Whirlpool are not close competitors in the market for SDA.

Table 24 – Arçelik's and Whirlpool's average wholesale price (EUR) for SDAs at the EEA (2022)

Category	Arçelik's average wholesale price	Whirlpool's (retained) average wholesale price	Delta
Food preparation	[…]	[…]	[…]
Kettles	[…]	[…]	[…]
Toasters	[…]	[…]	[…]
Espresso Machines	[…]	[…]	[…]
Electric Coffee Maker	[…]	[…]	[…]
Cookers	[…]	[…]	[…]

Source: Form CO, Table 109

(237) *Third*, the SDA markets are fragmented and competitive, characterised by a number of well-established players in each sub-segment, in particular for (i) food preparation appliances (e.g., SEB, BSH, P&G, Philips, and Kenwood); (ii) kettles (e.g., SEB, Spectrum, Philips, and Severin); (iii) toasters (e.g., SEB, Philips, Spectrum, Severin, and Delonghi); (iv) cookers (e.g., SEB, Magimix, Cecotec, Delonghi, Schneider, JS Global (Ninja), Newell Brands (Crockpot), Spectrum (Russell Hobbs), and Glen Dimplex (Morphy Richards)); (v) espresso machines/makers and electric filter coffee makers (e.g., Delonghi, SEB, Philips, BSH, Melitta, and Breville Group).

(238) As such, the Commission considers it unlikely that the Transaction would materially change Whirlpool's ability and incentives to compete independently with Beko Europe or increase Whirlpool's ability and incentives to coordinate with Beko Europe with respect to the manufacture and supply for SDA in the EEA. In the Commission's view, the minority stake in Beko Europe is unlikely to change Whirlpool's incentives to compete independently with its SDA business with Beko Europe given that Whirlpool would not have any significant influence on the day-to-day operation of Beko Europe's SDA business. Nor is it likely that Whirlpool would have increased incentives to withhold its own SDA business as any additional profits that it would receive via its minority share in Beko Europe would be small due to

462 The Notifying Party submitted that at retail level, GfK's data is only available for the following three SDA categories: (i) food preparation, (ii) kettles, and (iii) toasters.

463 Arçelik and Whirlpool have only provided price indices for three SDA categories (i.e., food preparation, kettles, toasters). They are not able to compute price indices for countries and product categories for which there is no GfK coverage at the country level.

Beko Europe's limited market position and the fact that Whirlpool would participate in only 25% of Beko Europe's profits.

(239) One additional potential concern relates to the risk of Whirlpool having access to commercially sensitive information on Beko Europe's strategies and/or activities downstream and using it to gain a competitive advantage vis-à-vis competitors in the supply of SDA. In particular, given that as a minority shareholder in Beko Europe, Whirlpool (and its representatives) will have access to information typically shared with minority investors, there is a concern to the extent that Whirlpool might get access to competitively sensitive information of Beko Europe, which might alter Whirlpool's incentive to compete to the fullest extent with Beko Europe or with other SDA competitors. According to the Notifying Party, appropriate ring-fencing measures and firewalls will be put in place before closing of the Transaction which will prevent the exchange of commercially sensitive information on Beko Europe's SDA business with Whirlpool's employees working for Whirlpool's SDA retained business.

(240) *First*, [information relating to firewalls to be put in place].

(241) *Second*, [information relating to firewalls to be put in place].

(242) *Third*, [information relating to firewalls to be put in place].

(243) *Fourth*, [information relating to firewalls to be put in place].

(244) In any event, should these measures not be in compliance with EU competition laws, the relevant provisions of the TFEU and national laws continue to remain applicable over Whirlpool's and Beko Europe's conduct.

(245) Therefore, the Commission concludes that Whirlpool's minority stake acquisition in Beko Europe is unlikely to raise serious doubts in the EEA and will not assess the effects of the minority stake acquisition on competition in the EEA and separate EEA countries further.

6. CONCLUSION

(246) For the above reasons, the European Commission has decided not to oppose the notified operation and to declare it compatible with the internal market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of the Merger Regulation and Article 57 of the EEA Agreement.

For the Commission

(Signed)
Didier REYNDERS
Member of the Commission