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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 Where possible the information omitted has been replaced by ranges of figures or a general description.

Synthos S.A.
ul. Chemików 1
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Poland

**Subject:** **Case M.10347 – SYNTHOS / TRINSEO (SYNTHETIC RUBBER BUSINESS)**
**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 16 September 2021, the European Commission received notification of a proposed concentration pursuant to Article 4 and following a referral pursuant to Article 4(5) of the Merger Regulation by which Synthos S.A. ("Synthos", Poland) intends to acquire within the meaning of Article 3(1)(b) of the Merger Regulation control of the synthetic rubber business (the "Target") of Trinseo S.A. ("Trinseo", Luxembourg) (the "Transaction").[3] Synthos is referred to as the "Notifying Party" and, together with Trinseo, 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 387, 24.9.2021, p. 21.

## 1. THE PARTIES

(2) Synthos is a privately held joint stock company headquartered in Oświęcim, Poland, mainly active in the production and distribution of a wide range of chemical products. Synthos' business is segmented into the following divisions: (i) synthetic rubber, (ii) insulation materials, (iii) dispersions, adhesives and latexes, and (iv) agro. The sole shareholder of Synthos is Black Forest SICAV-SIF S.A. ("Black Forest"), a private investment fund incorporated in Luxembourg. Black Forest is indirectly controlled by Mr. Michał Sołowow via MS Galleon AG, a privately owned holding company with its headquarters in Vienna, Austria.

(3) Trinseo is a company incorporated and existing under the laws of Luxembourg, which is listed on the New York Stock Exchange and headquartered in Pennsylvania, United States. Trinseo is mainly active in plastics, latex binders, and synthetic rubber.

(4) The Target comprises the synthetic rubber business of Trinseo. The Target's key assets are: (i) a production facility located in Schkopau, Germany, as well as the related worldwide sales contracts, worldwide sales team, IP and R&D functions; and (ii) a non-controlling [minority] stake of […] in Tyre Recycling Solutions S.A., a stock company incorporated under the laws of Switzerland and mainly active in recycling of the materials contained in scrap tyres.

## 2. THE OPERATION AND THE CONCENTRATION

(5) On 21 May 2021, Synthos and Trinseo entered into an agreement pursuant to which Synthos agreed to acquire from Trinseo all assets, rights, debts and liabilities relating to the Target. Following completion of the Transaction, Synthos will thus acquire sole control of the Target.

(6) The Transaction is therefore a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

## 3. UNION DIMENSION

(7) The Transaction does not have a Union dimension within the meaning of Article 1 of the Merger Regulation, as it does not meet the thresholds of Article 1(2) or Article 1(3).

(8) In accordance with Article 4(5) of the Merger Regulation, the Notifying Party requested on 25 June 2021 a referral to the Commission on the grounds that the case would be reviewable under the national merger control laws of eight Member States, namely Austria, Czechia, Germany, Hungary, Poland, Portugal, Romania and Spain. No Member State expressed disagreement with this request and the case was referred to the Commission on 16 July 2021.

(9) Therefore, the concentration falls under the scope of review of the Commission pursuant to Article 4(5) of the Merger Regulation.

## 4. COMPETITIVE ASSESSMENT

### 4.1. Overview of affected markets

(10) Synthos and the Target manufacture and supply styrene butadiene rubber ("SBR"). SBR is a type of synthetic rubber primarily used for the manufacture of car tyres (c. 80% of global demand). In addition, it is also used for other, non-tyre applications, such as conveyor belts, gaskets, hoses, floor tiles, footwear and adhesives. Figure 1 shows the main end-uses of SBR. Besides synthetic rubber, Synthos is also active in insulation materials (polystyrene), dispersion, adhesives and latexes, as well as agricultural products (in particular plant protection products, seed dressing agents, biocides and leaf fertilisers).

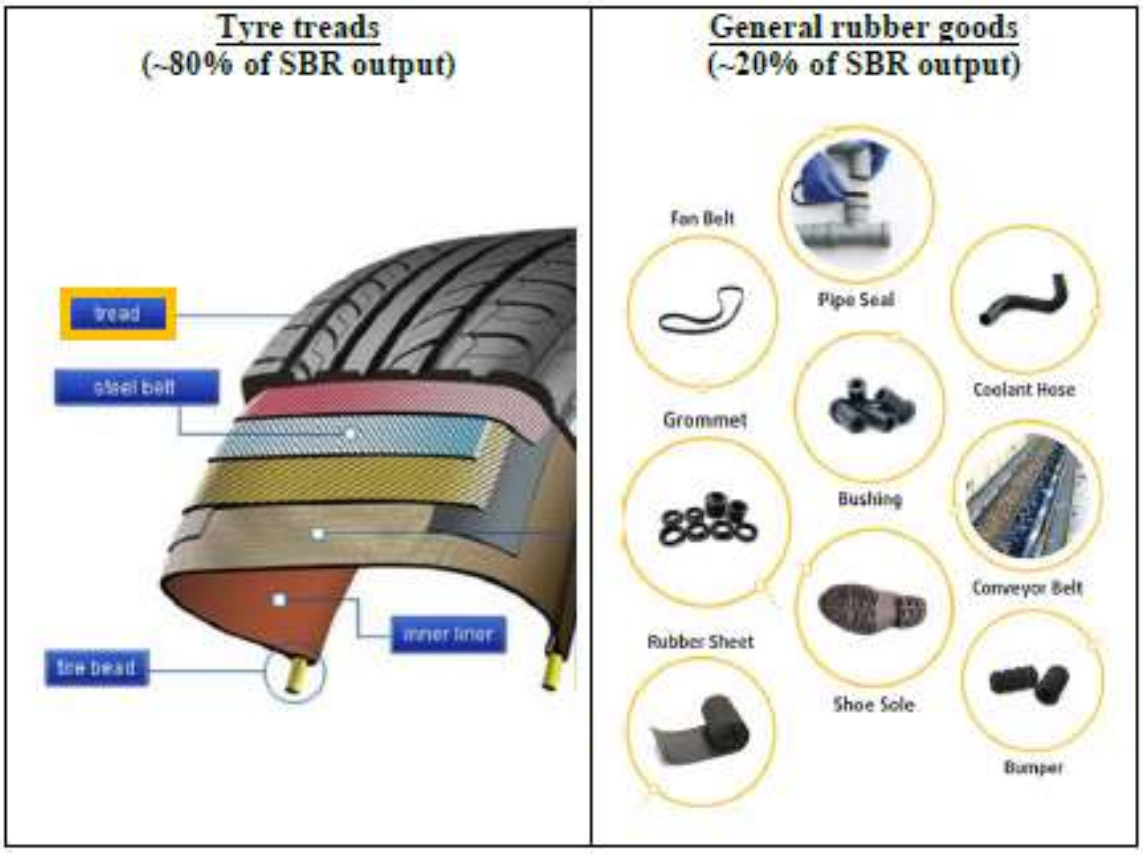



**Figure 1: SBR end-uses**
*Source: Form CO, Figure 1*

(11) There are two major types of SBR: emulsion-styrene butadiene rubber ("ESBR") and solution-styrene butadiene rubber ("SSBR"). ESBR is a copolymer of styrene and butadiene produced by free-radical emulsion polymerisation of styrene and butadiene. SSBR is a copolymer of styrene and butadiene produced by anionic copolymerisation of styrene and butadiene using lithium alkyls. While most of the market volume consists of ESBR, the tyre industry is moving increasingly from ESBR to SSBR due to superior performance in characteristics such as grip, abrasion resistance and rolling resistance. As a result, SSBR demand is growing at a faster rate than ESBR.

(12) SSBR includes non-functionalised and functionalised SSBR. Non-functionalised SSBR is a standard SSBR with no additional elements in the polymer chains. Functionalised SSBR is a non-standard SSBR containing one or more additional elements in the polymer chain. Functionalised SSBR is suitable for high-performance tyres due to its superior grip and wear, which allows for better fuel efficiency and safety. [4]

(13) Synthos is active in ESBR and non-functionalised SSBR, but not in functionalised SSBR. The Target is active in ESBR, non-functionalised SSBR and functionalised SSBR.

## 4.2. Market definition

### *4.2.1. Product market definition*

#### 4.2.1.1. Commission precedents

(14) In previous decisions, the Commission considered SBR as a distinct downstream product market in the context of a vertical assessment only.[5] In a more recent decision, the Commission assessed types of rubber other than SBR, and found separate product markets for different types of rubber, e.g. butyl rubber and polybutadiene rubber.[6] The Commission also considered further segmentations within types of rubber, e.g. non-halogenated and halogenated and a further segmentation between halogenated bromobutyl and chlorobutyl rubbers within butyl rubber.[7]

#### 4.2.1.2. The Notifying Party's view

(15) The Notifying Party submits that SBR products share common features such as the same main chemical components and the same primary applications, *i.e.* tyre production.[8] However, the Notifying Party also notes differences between ESBR and SSBR. For example, ESBR is not suitable for high-performance tyres for which SSBR is predominantly used. Furthermore, SSBR tends to be sold for higher prices than ESBR. [9]

(16) Further, the Notifying Party underlines that SSBR can be either non-functionalised or functionalised SSBR and that both non-functionalised and functionalised SSBR are used predominantly in tyre treads.[10]

(17) Finally, each of ESBR and SSBR are used for other applications than tyre treads as well, come in different individual grades and features such as oil extension (the inclusion of plasticiser to improve processability of the rubber).[11]

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4 Form CO, paragraphs 103 - 106.

5 Case M.591 – Dow / Buna (1996), paragraph 18 and Case M.6093 – BASF / Ineos / Styrene / JV (2011), paragraph 126.

6 Case M.9410 – Saudi Aramco / Sabic (2020), paragraphs 31 and 226.

7 Case M.9410 – Saudi Aramco / Sabic (2020), paragraph 32.

8 Form CO, paragraph 94.

9 Form CO, paragraph 95.

10 Form CO, paragraph 94.

(18) Ultimately, the Notifying Party considers that it can be left open whether the appropriate product market is SBR overall or whether separate product markets for ESBR and SSBR, and separate markets for functionalised and non-functionalised SSBR within SSBR, are appropriate, as it considers the Transaction does not give rise to competition concerns for any plausible product market definition.[12]

(19) The Notifying Party submits that further segmentations of ESBR and SSBR, such as application, grade, and oil extension are not appropriate.[13]

4.2.1.3. The Commission's assessment

(20) The Commission's market investigation confirmed that ESBR and SSBR constitute separate product markets.

(21) The majority of customers that responded to the Commission's market investigation indicated that they do not consider ESBR and SSBR substitutable in terms of characteristics, performance, price and intended use.[14] Furthermore, competitors that responded to the Commission's market investigation confirmed that ESBR and SSBR are produced on different production equipment and use different production processes.[15] Moreover, competitors that responded to the Commission's market investigation clearly indicated that the production of ESBR and SSBR require different know-how, proprietary formulas or other intellectual property.[16]

(22) Regarding possible further segmentations, the majority of customers[17] and of competitors[18] that responded to the Commission's market investigation indicated that ESBR does not need to be further segmented (*e.g.* on the basis of oil extension, individual grades, application, etc.)

(23) Regarding SSBR, the majority of customers that responded to the Commission's market investigation indicated that they do not consider functionalised and non-functionalised SSBR substitutable in terms of characteristics, performance, price and intended use.[19] Competitors that responded to the Commission's market investigation indicated that non-functionalised and functionalised SSBR are manufactured with the same manufacturing equipment, but require different know-how, proprietary formulas or other intellectual property.[20]

4.2.1.4. Conclusion

(24) For the purpose of this Decision, the Commission concludes that ESBR and SSBR constitute separate product markets. A further segmentation of ESBR is not

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11 Form CO, paragraphs 107 - 126 & 130-139.

12 Form CO, paragraphs 94 - 96.

13 Form CO, paragraph 126.

14 See replies to question 4, Q1 - Questionnaire to SBR customers, as well as minutes of pre-notification calls with three tire producers on 29.07.2021, 07.09.2021 and 09.09.2021.

15 See replies to question 4, Q2 - Questionnaire to SBR competitors.

16 See replies to question 5, Q2 - Questionnaire to SBR competitors.

17 See replies to question 6, Q1 - Questionnaire to SBR customers.

18 See replies to question 8, Q2 - Questionnaire to SBR competitors

19 See replies to question 5, Q1 - Questionnaire to SBR customers.

20 See replies to questions 6 & 7, Q2 - Questionnaire to SBR competitors.

appropriate. As far as a further sub-segmentation of SSBR into non-functionalised SSBR and functionalised SSBR is concerned, the issue can be left open since the Transaction does not give rise to serious doubts as to its compatibility with the internal market or the functioning of the EEA agreement under any of these plausible market definitions (SSBR overall, functionalised SSBR or non-functionalised SSBR).

*4.2.2. Geographic market definition*

4.2.2.1. Commission precedents

(25) Previous Commission decisions discussing SBR do not provide an assessment of the appropriate geographic scope. In its assessment of types of rubbers other than SBR, the Commission left open whether the appropriate geographic market definition is worldwide or EEA-wide.[21]

4.2.2.2. The Notifying Party's view

(26) The Notifying Party submits that the appropriate geographic market definition for SBR (as well as any of its potential segments) is global.[22]

(27) First, the Notifying Party argues that there are significant global SBR trade flows.[23] Indeed, on the basis of Eurostat data, in 2019 the EEA imported around 99 kilotonnes ("kt") of SSBR and 73 kt of ESBR, while it exported 156 kt and 207 kt respectively. [24]

(28) Second, the Notifying Party submits that there are no significant trade barriers, [25] since SBR imports into the EEA are not subject to any customs duties. Additionally, neither final ESBR nor SSBR products are subject to the REACH environmental legislation.[26] While a limited number of countries (e.g., the US, Mexico and India) use various mechanisms, including anti-dumping duties, in an attempt to protect their national manufacturers, the Notifying Party does not consider that this poses material barriers to cross-border trade. Neither the Target nor any other Europe-based manufacturer has been subject to US anti-dumping duties. Synthos' Polish subsidiary has been subject to anti-dumping duties until 2022, […].[27]

(29) Third, the Notifying Party puts forward the argument that transport of SBR is easy and transportation costs are low.[28] The Notifying Party also underlines the fact that there are no material price differences between commodity SBR products across the different regions. Prices broadly follow the same trends in the main regions (Europe,

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21 For example, case M.9410 – Saudi Aramco / Sabic (2020), paragraphs 39, 231 and 315.

22 Form CO, paragraph 142.

23 Form CO, paragraphs 144 – 153.

24 See Form CO, tables 8 and 10.

25 Form CO, paragraph 154.

26 Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC.

27 Form CO, paragraphs 155 - 161.

28 Form CO, paragraphs 165 – 166.

North America and North-East Asia) reflecting, among other factors, changes in feedstock prices and the global supply and demand balance.[29]

(30) Fourth, the Notifying Party argues that suppliers have a single, or only a few, production facilities worldwide from which they supply customers globally (through an […])[30], while the main SBR customers, global players active in the tyre industry, source ESBR and SSBR globally, typically from multiple suppliers.[31]

4.2.2.3. The Commission's assessment

(A) ESBR

(31) A large majority of customers[32] and a slight majority of competitors[33] that responded to the Commission's market investigation indicate that they source/supply ESBR on a global basis.[34]

(32) However, a number of responses both from customers[35] and competitors[36] indicate that that ESBR is traded mostly within wider geographic regions (EEA, Asia, North America). They indicate that since ESBR is a commoditised product, long distance transport cost represents a significant share of the product price, particularly in the current situation of high shipping rates caused by container shortages. For example one customer says that "*It is important to note that suppliers from outside of the EU cannot replace suppliers in the EU, due to logistical difficulties (high logistic costs) and lead times*. [37], while a competitor replied that "*Profit margin is too little to justify freight cost to ship products outside the base region because of competition in their region….*"[38]

(33) The Commission takes note of the above comments put forward by respondents in the market investigation and concludes that transport costs might be a reason which would prevent customers from procuring ESBR volumes over long distances.

(34) Indeed, according to documents submitted by the Notifying Party, costs of bringing ESBR in the EEA in 2021 from Asia (China and Taiwan) represent around [a moderate percentage]% of ESBR product cost.[39] According to the Notifying Party, this is due to the container shortage, since in 2020 the part of transport for the same route was around [a low percentage]%. For North and South America, transport costs are not particularly high.

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29 Form CO, paragraphs 181 – 185.

30 Form CO, paragraphs 167 & 169.

31 Form CO, paragraphs 168 – 169.

32 See replies to question 8.1, Q1 - Questionnaire to SBR customers.

33 See replies to question 10.1, Q2 - Questionnaire to SBR competitors.

34 See replies to question 8.1.1, Q1 - Questionnaire to SBR customers and replies to question 10.1.1, Q2 - Questionnaire to SBR competitors.

35 See replies to question 8.1.1, Q1 - Questionnaire to SBR customers.

36 See replies to question 10.1.1, Q2 - Questionnaire to SBR competitors.

37 See reply of a customer to question 8.1.1, Q1 - Questionnaire to SBR customers.

38 See reply of a competitor to question 10.1.1, Q2 - Questionnaire to SBR competitors.

39 See reply to RFI 7, of date 4 October 2021, annex 2.

(35) Conversely there are no tariffs or regulatory barriers preventing the import of ESBR in the EEA. In particular a customer stressed that "*No specific barriers for wider geographic sourcing area. ...*"[40], while a competitor indicated that "*There are practically no barriers. ...*"[41]

(36) The Commission notes that there are ESBR suppliers located in Russia (Sibur) and Serbia (HIP Petrohemija, "HIP") who already have ESBR sales in the EEA (around [20-30]%)[42] and are considered as credible ESBR suppliers by a majority of customers that replied to the Commission's market investigation.[43] According to information supplied by the Parties, Sibur and HIP, together with a third producer JSC Sintez Kauchuk ("Sintez-Kauchuk") established in the European part of Russia (in the Republic of Bashkortostan), together hold [30-40]%[44] of the total ESRB production capacity in wider European area comprising of the EEA, together the non-EEA parts of Europe[45], the European part of Russia and Turkey ("the European region").

(37) It is therefore clear that while the main suppliers of this European region are established in the EEA (Synthos, Trinseo and Versalis) and control slightly less than [70-80]% of the ESBR production capacity, there are other suppliers with a respectable production capacity to whom EEA customers can and do turn to for their ESBR supplies. Moreover, the Commission notes[46] that there are other producers, outside this European region with some sales in this area.

(38) The Commission considers that if the appropriate geographic scope for ESBR were narrower than worldwide it is not strictly limited to the EEA but would encompass the European region. Suppliers based close to the EEA have a significant market position inside the EEA, showing that shipping from regions nearby the EEA is not prohibitively long or expensive. *Vice versa*, the Parties serve the broader European region. This shows that suppliers outside the EEA but near to it are sufficiently geographically close to participate in, and indeed form part of, the same market.

(39) Furthermore, the market investigation did not surface any barriers that would motivate sharply delineating the geographic market along the borders of the EEA. Import of ESBR into the EEA is not subject to regulatory restrictions such as REACH compliance. Furthermore, there are no tariffs on the import of ESBR in the EEA.

(40) Based on the above, the Commission considers that if the appropriate geographic scope for ESBR were narrower than worldwide, it is not strictly limited to the EEA but would encompass the European region, as: (i) the main barrier to global sourcing is transport cost and time, rather than regulatory or tariff barriers; and (ii) Russian and Serbian players have a significant presence in the EEA and are considered credible by customers.

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40 See reply of a customer to question 8.1.1, Q1 - Questionnaire to SBR customers.

41 See reply of a competitor to question 10.1.1, Q2 - Questionnaire to SBR competitors.

42 See Table 2below.

43 See replies to question 9, Q1 - Questionnaire to SBR customers

44 See Table 3 below.

45 Albania, Andorra, Belarus, Bosnia and Herzegovina, Georgia, Moldova, Monaco, Montenegro, North Macedonia, San Marino, Serbia, Switzerland, Ukraine, United Kingdom, Vatican City.

46 See Table 2 below.

(41) However, since the Transaction does not give rise to serious doubts as to its compatibility with the internal market or the functioning of the EEA agreement for either a worldwide geographic scope or a geographic scope limited to the European region, the question of whether the appropriate geographic scope for ESBR is the European region or global can be left open.

(B) SSBR (including functionalised and non-functionalised SSBR)

(42) Concerning SSBR (as well as both of non-functionalised SSBR and functionalised SSBR), a large majority of customers[47] that responded to the Commission's market investigation indicated that for their activities within the EEA, they source on a worldwide basis. [48] In the same vein, a majority of competitors[49] that responded to the Commission's market investigation confirm that they supply SSBR on a worldwide basis. [50]

(43) The market investigation did not provide any indications against the arguments of the Notifying Party concerning the absence of barriers (such as trade tariffs or environmental rules) for SSBR to be imported in the EEA from around the world.[51] One customer said that *"[We] procure SSBR globally (through annual global invitations to tender) from all of the main SBR suppliers. The proximity of the locations of the suppliers' plants to [our company] is not a condition for being invited to tender"*[52], while a competitor replied that "*…Each major manufacturer has only a few production facilities worldwide, each supplying customers all around the globe. The main customers are all global players active in the tire industry*. …".[53] As SSBR, and particularly functionalised SSBR, is a less commoditised and higher value-added product than ESBR, transport cost is relatively less significant.

(44) It can therefore be concluded that the geographic scope for SSBR, as well as for its sub-segmentations, non-functionalised and functionalised SSBR is most likely worldwide. If the scope is considered narrower than worldwide, it is likely to encompass the European region, as similarly to ESBR no tariff or regulatory hurdles exist. However, as the Transaction does not give rise to serious doubts as to its compatibility with the internal market or the functioning of the EEA agreement under either a worldwide scope or a scope limited to the European region, the issue can be left open.

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47 See replies to question 8.2, Q1 - Questionnaire to SBR customers.

48 See replies to question 8.2.1, Q1 - Questionnaire to SBR customers. One customers says that "*SSBR market is more global comparing to ESBR market*" and another concludes that "*as explained before SSBR (mainly f-SSBR) are specialties and usually they are a result of joined development between supplier and final user. Sourcing decision is the result of such activity so not strictly connected with geography or cost drivers*"

49 See replies to question 10.2, Q1 - Questionnaire to SBR competitors.

50 See replies to question 10.2.1, Q1 - Questionnaire to SBR competitors. One respondent says that *"For the reasons described above SSBR is considered much less commoditized than ESBR. As a consequence, sales are much more guided by technical requirements than ESBR, extending therefore the market to a worldwide landscape. This is even more true for functionalized-SSBR."*.

51 See replies to question 8.2, Q1 - Questionnaire to SBR customers and to question 10.2, Q1 - Questionnaire to SBR competitors.

52 See reply of a customer to question 8.1.1, Q1 - Questionnaire to SBR customers.

53 See reply of a competitor to question 10.1.1, Q2 - Questionnaire to SBR competitors.

4.2.2.4. Conclusion

(45) For the purpose of the present decision, the Commission concludes that the appropriate geographic scope for the markets for ESBR and SSBR, as well its potential segments functionalised and non-functionalised SSBR, is at least the European region.

## 4.3. Competitive assessment

*4.3.1. Analytical framework*

(46) Article 2 of the Merger Regulation requires the Commission to examine whether notified concentrations are compatible with the internal market, by assessing whether they would significantly impede effective competition in the internal market or in a substantial part of it, in particular as a result of the creation or strengthening of a dominant position.

(47) A merger giving rise to a significant impediment of effective competition may do so as a result of the creation or strengthening of a dominant position in the relevant market(s). Moreover, mergers in oligopolistic markets involving the elimination of the important competitive constraints that the parties previously exerted on each other, together with a reduction of competitive pressure on the remaining competitors, may also result in a significant impediment to effective competition, even in the absence of dominance.

(48) The Commission Guidelines on the assessment of horizontal mergers under the Merger Regulation (the "Horizontal Merger Guidelines")[54] describe horizontal non-coordinated effects as follows: *"A merger may significantly impede effective competition in a market by removing important competitive constraints on one or more sellers who consequently have increased market power. The most direct effect of the merger will be the loss of competition between the merging firms. For example, if prior to the merger one of the merging firms had raised its price, it would have lost some sales to the other merging firm. The merger removes this particular constraint. Non-merging firms in the same market can also benefit from the reduction of competitive pressure that results from the merger, since the merging firms' price increase may switch some demand to the rival firms, which, in turn, may find it profitable to increase their prices. The reduction in these competitive constraints could lead to significant price increases in the relevant market."*[55]

(49) The Horizontal Merger Guidelines list a number of factors which may influence whether or not significant non-coordinated effects are likely to result from a merger, such as the large market shares of the merging firms, the fact that the merging firms are close competitors, the limited possibilities for customers to switch suppliers, or the fact that the merger would eliminate an important competitive force.[56] That list of factors applies equally regardless of whether a merger would create or strengthen a dominant position, or would otherwise significantly impede effective competition due to non-coordinated effects. Furthermore, not all of these factors need to be

54 OJ C 31, 5.2.2004, p. 5.

55 Horizontal Merger Guidelines, paragraph 24.

56 Horizontal Merger Guidelines, paragraphs 27 and following.

present for significant non-coordinated effects to be likely. The list of factors, each of which is not necessarily decisive in its own right, is also not an exhaustive list.[57]

(50) Finally, the Horizontal Merger Guidelines describe a number of factors, which could counteract the harmful effects of the merger on competition, including the likelihood of buyer power, the entry of new competitors on the market, and efficiencies.[58]

*4.3.2. ESBR*

4.3.2.1. Market structure

(51) The tables below provide the Notifying Party's estimates of the market shares for ESBR.[59]

**Table 1: Volume-based[60] market shares for ESBR (global)**

| Supplier | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|
| | Volume (kT) | Share | Volume (kT) | Share | Volume (kT) | Share |
| Synthos | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Target | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| ***Combined*** | […] | ***[10-20]%*** | […] | ***[10-20]%*** | […] | ***[10-20]%*** |
| Petrochina | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| TSRC | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Sinopec | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Kumho Petrochemical | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Lion Elastomers | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Others | […] | [50-60]% | […] | [40-50]% | […] | [40-50]% |
| **Total** | […] | **100%** | […] | **100%** | […] | **100%** |

*Source: Annex 9 to the Form CO*

57 Horizontal Merger Guidelines, paragraphs 24-38.

58 Horizontal Merger Guidelines, sections V, VI and VII.

59 Contrary to SSBR, ESBR production for captive use is not very significant and considering the merchant market only would not materially change the market shares shown below.

60 Value-based market shares do not differ materially from the volume-based market shares.

**Table 2: Volume-based[61] market shares for ESBR (European region)**

| Supplier | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|
| | Volume (kT) | Share | Volume (kT) | Share | Volume (kT) | Share |
| Target | […] | [10-20]% | […] | [5-10]% | […] | [5-10]% |
| Synthos | […] | [20-30]% | […] | [20-30]% | […] | [20-30]% |
| **Combined** | […] | ***[30-40]%*** | […] | ***[30-40]%*** | […] | ***[30-40]%*** |
| Versalis | […] | [20-30]% | […] | [20-30]% | […] | [20-30]% |
| SIBUR | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| Arlanxeo | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| Dynasol | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| HIP | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Others | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| **Total** | […] | **100%** | […] | **100%** | […] | **100%** |

*Source: Annex 1 to the reply to Request for Information 7*

**Table 3: Capacity-based market shares for ESBR (2020, global and European region)[62]**

| Supplier | Worldwide | |
|---|---|---|
| | Volume (kT) | Share |
| Synthos | […] | [5-10]% |
| Target | […] | [0-5]% |
| ***Combined*** | […] | ***[5-10]%*** |
| PetroChina | […] | [10-20]% |
| Sinopec | […] | [5-10]% |
| TSRC | […] | [5-10]% |
| Others | […] | [60-70]% |
| **Total** | […] | **100%** |

| Supplier | European region | |
|---|---|---|
| | Volume (kT) | Share |
| Synthos | […] | [30-40]% |
| Target | […] | [10-20]% |
| ***Combined*** | […] | ***[40-50]%*** |
| Versalis | […] | [20-30]% |
| SIBUR | […] | [10-20]% |
| Sintez Kauchuk | […] | [10-20]% |
| HIP | […] | [5-10]% |
| **Total** | […] | **100%** |

*Source: Annex 9 to the Form CO and Annex 1 to the reply to Request for Information 7*

(52) At global level, the ESBR market is fragmented, with an HHI well under 1,000 both pre- and post-Transaction, the threshold under which the Commission is unlikely to identify horizontal competition concerns.[63] The Transaction results in an HHI increment of [30-40].The Parties' combined global market share for ESBR is low ([10-20]% in 2020) and does not give rise to an affected market.

(53) In the European region, the market is more concentrated, with a pre-Transaction HHI in excess of 1,700. The HHI increment is [440-450]. The Transaction creates a new market leader with a combined market share of [30-40]% in 2020, with an increment of [5-10]% brought by the Target.

61 Value-based market shares do not differ materially from the volume-based market shares.

62 Capacity based market shares did not change over the period 2018-2020.

63 Horizontal Merger Guidelines, paragraph 19.

(54) Competitors with sizeable market shares remain in the European region post-Transaction, such as Versalis (part of Italian petrochemical company Eni) and SIBUR of Russia.

(55) When considering capacity shares, the Parties have a combined market share of [40-50]% in the European region. The Parties export a large proportion of their production outside of the European region ([…]%).

4.3.2.2. The Notifying Party's view

(56) The Notifying Party submits that the Transaction will not result in a significant impediment to effective competition for ESBR.[64] It submits the following arguments to support that position:

(a) The merged entity's global market share is low and the increment brought by the Target is small. Furthermore, the Parties' production volumes and market shares decreased between 2018 and 2020.[65]

(b) A sufficient number of strong competitors will continue to compete with the merged entity for ESBR both in the EEA as well as globally. In particular, multiple suppliers with production capacity in Europe and Russia are available, such as Versalis, SIBUR, HIP Petrochemija, Sintez Kauchuk and Omsk Kauchuk.[66]

(c) Imports will continue to constrain the merged entity post-Transaction, as global suppliers have overcapacity which they can use to fulfil demand in the EEA.[67] The Notifying Party estimates that [20-30]% of EEA demand is imported in 2020 and that this proportion is growing year-on-year.[68]

(d) ESBR is increasingly being replaced by SSBR, leading to a shrinking demand for ESBR, particularly in the EEA. This trend is mainly driven by the development of low rolling resistance / high performance tyres that meet stricter $CO_2$ emission regulations. This trend will likely lead to overcapacity and downward pricing pressure.[69]

(e) The Parties' main customers are large tyre manufacturers, which are strong and sophisticated companies with significant countervailing buyer power. ESBR is a commodity product and customers can easily switch suppliers. Furthermore, some tyre manufacturers are able to produce ESBR in-house. […].[70]

(f) ESBR can be substituted with other commodity rubbers in less demanding applications such as general purpose tyres and non-tyre applications. Such

64 Form CO, paragraph 318.
65 Form CO, paragraphs 320-333.
66 Form CO, paragraphs 334-338.
67 Form CO, paragraphs 339-346.
68 Form CO, paragraphs 347-351.
69 Form CO, paragraphs 352-365.
70 Form CO, paragraphs 366-384.

substitution particularly takes place in emerging markets such as China and South East Asia.[71]

(g) The Parties are not close competitors in ESBR, as the Target has shifted its focus towards SSBR and therefore its position in ESBR has steadily decline over the past years.[72]

4.3.2.3. The Commission's assessment

(57) The Transaction leads to the creation of a market leader in the European region, and the creation of the second largest player globally. However, on global level the market for ESBR is fragmented and not affected as a result of the Transaction, as the merged entity's market share remains well under [20-30]%. Therefore, the Commission's assessment will focus on the European region.

(58) Within the European region, the merged entity will become a market leader in terms of market share with a market share of [30-40]% in 2020. However, several competitors with production capacity based in the European region remain, such as Versalis (Italy), SIBUR (Russia) and HIP Petrochemija (Serbia). The majority of customers responding to the Commission's market investigation consider these competitors as credible suppliers of ESBR for the EEA.[73] Furthermore, the large majority of customers consider that sufficient suppliers remain for ESBR post-Transaction.[74]

(59) The merged entity's capacity share in the European region is higher than its volume share, at [40-50]% in 2020. However, the Commission notes that the Parties export a large proportion of their production outside of the European region ([…]%), primarily to […] ([…]% for Synthos and […]% for the Target) and […] ([…]% for Synthos and […]% for the Target).[75]

(60) The market investigation gave evidence of notable buyer power in the market for ESBR. Most of the Parties' customers are large tyre manufacturers that source large volumes. Customers that responded to the Commission's market investigation considered that they are able to negotiate with ESBR suppliers on equal footing, or even enjoy a strong negotiation position.[76] Conversely, the large majority of suppliers considered that their negotiation position vis-à-vis customers is weak. One supplier explains: "*Being E-SBR a commodity family, customers exercise their buying power mainly switching among suppliers, even coming from non-EEA regions, if price is convenient*."[77] Furthermore, the large majority of customers multisource ESBR and are able to flexibly substitute equivalent grades from different suppliers in their products ("drop-in substitution").[78]

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71 Form CO, paragraph 385.
72 Form CO, paragraph 386.
73 See replies to question 9, Q1 - Questionnaire to SBR customers.
74 See replies to question 24.1, Q1 - Questionnaire to SBR customers.
75 Form CO, paragraphs 392 and 394.
76 See replies to question 14, Q1 - Questionnaire to SBR customers.
77 See reply to question 15, Q2 - Questionnaire to SBR competitors.
78 See replies to questions 15.1 and 16.1, Q1 - Questionnaire to SBR customers.

(61) Even if the market for ESBR is considered to be geographically restricted to the European region, the market investigation gave evidence of external competitive constraints. While imports into the European region are currently limited (in the region of [10-20]% of demand), this may likely be due to the net exporter position of the European region and the current container shortage leading to increased shipping prices. The majority of customers that responded to the Commissions market investigation indicate that in the case of a small but significant and non-transitory increase in price, they would consider to source from other regions.[79]

(62) The Notifying Party's internal documents and market investigation also provided evidence that there is some degree of overcapacity in the ESBR market.[80] Several competitors that responded to the Commissions market investigation indicate that this overcapacity has led to price pressure.[81] One competitor explains that there are several factors contributing to this situation of overcapacity: "*Tyre makers can switch part of E-SBR to natural rubber according to the price of NR [natural rubber] vs ESBR. On top of this there is a pretty stable growth of SSBR against ESBR because of the technical advantages of SSBR, confirming the overcapacity trend. In the non-tyre articles (shoe sector, technical articles, etc…) a lot of business has been delocalized outside EEA in low-cost regions, again leading to a reduction of the operating rates of ESBR in EEA, even this trend is not mainly driven by the substitution between EBSR and non-ESBR*"[82]

(63) The large majority of customers that responded to the Commission's market investigation consider that the Parties are close competitors for ESBR.[83] However, several other competitors are identified as similarly close, including Versalis and Sibur.[84]

(64) The large majority of customers that responded to the Commission's market investigation did not expect a negative impact on competition as a result of the Transaction for ESBR either globally or in the EEA.[85] Responses by competitors were more mixed with several indicating that they expect a negative impact on competition for ESBR in the EEA.[86] However, several of the concerned competitors indicate that the main negative impact expected is a price decrease, with one competitor explaining that it is *"[e]xpecting agressive [sic] share increase and prices decrease.*"[87]

(65) Based on the above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to the market for ESBR globally or in the European region due to horizontal non-coordinated effects.

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79 See replies to question 8.1, Q1 - Questionnaire to SBR customers.
80 See replies to question 22, Q2 - Questionnaire to SBR competitors and Annex 5.7 to the Form CO, page 6.
81 See replies to question 22.1, Q2 - Questionnaire to SBR competitors.
82 See reply to question 23.1, Q2 - Questionnaire to SBR competitors.
83 See replies to question 13.1, Q1 - Questionnaire to SBR customers.
84 See replies to question 12.1, Q1 - Questionnaire to SBR customers.
85 See replies to question 23.1, Q1 - Questionnaire to SBR customers.
86 See reply to question 25.1, Q2 - Questionnaire to SBR competitors.
87 See reply to question 25.1.1, Q2 - Questionnaire to SBR competitors.

*4.3.3. SSBR*

4.3.3.1. Market structure

(66) The Transaction does not give rise to affected markets for functionalised SSBR (in which Synthos is not active) and in non-functionalised SSBR for any plausible geographic market definition. Below tables provide the Notifying Party's market share estimates for the overall market for SSBR, which would be horizontally affected.

**Table 4: Volume-based[88] market shares for SSBR (global, including captive use)**

| Supplier | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|
| | Volume (kT) | Share | Volume (kT) | Share | Volume (kT) | Share |
| Target | […] | [10-20]% | […] | [10-20]% | […] | [5-10]% |
| Synthos | […] | [0-5]% | […] | [0-5]% | […] | [5-10]% |
| ***Combined*** | […] | ***[10-20]%*** | […] | ***[10-20]%*** | […] | ***[10-20]%*** |
| Michelin* | […] | [20-30]% | […] | [20-30]% | […] | [10-20]% |
| Asahi Kasei | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| JSR | […] | [5-10]% | […] | [5-10]% | […] | [10-20]% |
| Firestone Polymers* | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Goodyear* | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Zeon | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Other | […] | [30-40]% | […] | [30-40]% | […] | [30-40]% |
| **Total** | […] | **100%** | […] | **100%** | […] | **100%** |

*Source: Annex 9 to the Form CO. Suppliers marked with an asterisks produce (primarily) for captive consumption.*

**Table 5: Volume-based[89] market shares for SSBR (global, merchant market)**

| Supplier | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|
| | Volume (kT) | Share | Volume (kT) | Share | Volume (kT) | Share |
| Target | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| Synthos | […] | [0-5]% | […] | [5-10]% | […] | [5-10]% |
| ***Combined*** | […] | ***[10-20]%*** | […] | ***[10-20]%*** | […] | ***[20-30]%*** |
| Asahi Kasei | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| JSR | […] | [10-20]% | […] | [5-10]% | […] | [5-10]% |
| Zeon | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Versalis | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Arlanxeo | […] | [5-10]% | […] | [5-10]% | […] | [0-5]% |
| Other | […] | [30-40]% | […] | [30-40]% | […] | [40-50]% |
| **Total** | […] | **100%** | […] | **100%** | […] | **100%** |

*Source: Annex 9 to the Form CO.*

88 Value-based market shares do not differ materially from the volume-based market shares.

89 Value-based market shares do not differ materially from the volume-based market shares.

**Table 6: Volume-based[90] market shares for SSBR (European region, including captive use)**

| Supplier | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|
| | Volume (kT) | Share | Volume (kT) | Share | Volume (kT) | Share |
| Target | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| Synthos | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| ***Combined*** | […] | ***[20-30]%*** | […] | ***[10-20]%*** | […] | ***[10-20]%*** |
| Michelin* | […] | [30-40]% | […] | [30-40]% | […] | [30-40]% |
| Versalis | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| Arlanxeo | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| JSR | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Asahi Kasei | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Sibur | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| Zeon | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| Other | […] | [5-10]% | […] | [10-20]% | […] | [5-10]% |
| **Total** | […] | **100%** | […] | **100%** | […] | **100%** |

*Source: Reply to Request for Information 8. Suppliers marked with an asterisks produce (primarily) for captive consumption.*

**Table 7: Volume-based[91] market shares for SSBR (European region, merchant market)**

| Supplier | 2018 | | 2019 | | 2020 | |
|---|---|---|---|---|---|---|
| | Volume (kT) | Share | Volume (kT) | Share | Volume (kT) | Share |
| Target | […] | [30-40]% | […] | [30-40]% | […] | [20-30]% |
| Synthos | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| ***Combined*** | […] | ***[30-40]%*** | […] | ***[30-40]%*** | […] | [20-30]*%* |
| Versalis | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| Arlanxeo | […] | [10-20]% | […] | [10-20]% | […] | [10-20]% |
| JSR | […] | [5-10]% | […] | [5-10]% | […] | [10-20]% |
| Asahi Kasei | […] | [5-10]% | […] | [5-10]% | […] | [5-10]% |
| Sibur | […] | [5-10]% | […] | [0-5]% | […] | [5-10]% |
| Zeon | […] | [0-5]% | […] | [0-5]% | […] | [0-5]% |
| Other | […] | [10-20]% | […] | [10-20]% | […] | [5-10]% |
| **Total** | […] | **100%** | […] | **100%** | […] | **100%** |

*Source: Reply to Request for Information 8. Suppliers marked with an asterisks produce (primarily) for captive consumption.*

90 Value-based market shares do not differ materially from the volume-based market shares.

91 Value-based market shares do not differ materially from the volume-based market shares.

**Table 8: Capacity-based market shares for SSBR (2020, global and European region, including captive use)[92]**

| Supplier | Worldwide | |
|---|---|---|
| | Volume (kT) | Share |
| Target | […] | [5-10]% |
| Synthos | […] | [0-5]% |
| ***Combined*** | […] | ***[10-20]%*** |
| Michelin* | […] | [10-20]% |
| Versalis | […] | [10-20]% |
| Arlanxeo | […] | [5-10]% |
| JSR | […] | [5-10]% |
| Asahi Kasei | […] | [5-10]% |
| Other | […] | [40-50]% |
| **Total** | […] | **100%** |

| Supplier | European region | |
|---|---|---|
| | Volume (kT) | Share |
| Target | […] | [30-40]% |
| Synthos | […] | [5-10]% |
| ***Combined*** | […] | ***[40-50]%*** |
| Michelin | […] | [30-40]% |
| Versalis | […] | [10-20]% |
| Arlanxeo | […] | [5-10]% |
| SIBUR | […] | [5-10]% |
| | | |
| | | |
| **Total** | […] | **100%** |

*Source: Annex 9 to the Form CO and Annex 1 to the reply to Request for Information 7. Suppliers marked with an asterisks produce (primarily) for captive consumption.*

**Table 9: Capacity-based market shares for SSBR (2020, global and European region, merchant market)[93]**

| Supplier | Worldwide | |
|---|---|---|
| | Volume (kT) | Share |
| Target | […] | [10-20]% |
| Synthos | […] | [0-5]% |
| ***Combined*** | […] | ***[10-20]%*** |
| Asahi Kasei | […] | [10-20]% |
| JSR | […] | [10-20]% |
| Zeon | […] | [5-10]% |
| Arlanxeo | […] | [5-10]% |
| Versalis | […] | [5-10]% |
| Other | […] | [30-40]% |
| **Total** | […] | **100%** |

| Supplier | European region | |
|---|---|---|
| | Volume (kT) | Share |
| Target | […] | [40-50]% |
| Synthos | […] | [10-20]% |
| ***Combined*** | […] | ***[50-60]%*** |
| Versalis | […] | [10-20]% |
| Arlanxeo | […] | [10-20]% |
| JSR | […] | [10-20]% |
| SIBUR | […] | [5-10]% |
| | | |
| | | |
| **Total** | […] | **100%** |

*Source: Annex 9 to the Form CO and reply to Request for Information 8.*

(67) At global level, the SSBR merchant market is fragmented, with an HHI well under 1,000 both pre- and post-Transaction, the threshold under which the Commission is unlikely to identify horizontal competition concerns.[94] The Transaction results in an HHI increment of [170-180]. The Parties' combined global market share for SSBR is modest ([20-30]% in 2020).

(68) In the European region, the merchant market is slightly more concentrated with a pre-Transaction HHI just above 1,500. The merged entity will have a combined market share of [20-30]%. Because of the low increment brought by Synthos ([0-5] percentage points), the Transaction only results in a small HHI increment of [130-

92 Capacity based market shares remained roughly stable over the period 2018-2020.

93 Capacity based market shares remained roughly stable over the period 2018-2020.

94 Horizontal Merger Guidelines, paragraph 19.

140], a level at which the Commission is unlikely to identify horizontal competition concerns.[95] The Parties' combined capacity market share in the European region is higher, at [50-60]%. However, Synthos exports more than [a very high percentage]% of its production outside of the European region.

4.3.3.2. The Notifying Party's view

(69) The Notifying Party submits that the Transaction will not result in a significant impediment to effective competition for SSBR.[96] It submits the following arguments to support that position:

(a) The merged entity's global market share is low and the increment in the EEA brought by Synthos is *de minimis* as it exports more than [a very high percentage]% of its production outside of the EEA.[97]

(b) The merged entity will continue to be significantly constrained by strong competitors globally and in the EEA, as well as by extensive captive SSBR production by tyre manufacturers.[98]

(c) Tyre manufacturers with captive production such as Michelin, Bridgestone and Goodyear could sell on the merchant market in response to a hypothetical price increase.[99]

(d) The Parties are not close competitors as the Target is mainly active in functionalised SSBR, which Synthos does not sell. Moreover, the Targets SSBR sales focus on the EEA, whereas Synthos only sells [a low percentage]% of its SSBR production in the EEA.[100]

4.3.3.3. The Commission's assessment

(70) The Transaction will create a market leader on the merchant market for SSBR globally and in the European region. When considering captive supplies as well, the Transaction creates a number 2 player globally and in the European region, behind Michelin. However, the concentration on global level remains limited, and the merged entity will have a market share of [20-30]%. The merged entity will have a more significant merchant market share in the European region, at [20-30]%, but the increment brought by Synthos is limited, at [0-5]%.

(71) The merged entity's capacity share in the European region's merchant market will be more significant, at [50-60]%, with an increment brought by Synthos of [10-20] percentage points. However, as evidenced by its low volume market shares in the European region, Synthos exports the […] majority ([…]%) of its production outside of the European region. Furthermore, the Target uses the […] majority of its SSBR capacity to produce functionalised SSBR ([…]%)[101], an area where Synthos is not

95 Horizontal Merger Guidelines, paragraph 20.
96 Form CO, paragraph 266.
97 Form CO, paragraphs 269-273.
98 Form CO, paragraph 284-290.
99 Form CO, paragraph 291-295.
100 Form CO, paragraph 296-315.
101 Form CO, Figure 12.

active. Both are indications that the Parties are not particularly close competitors for SSBR, as the market investigation confirmed (see paragraph (74) below).

(72) Several significant suppliers remain in the market for SSBR post-Transaction such as Asahi Kasei, JSR, Arlanxeo, Zeon and Versalis. Several of these have production capacity in the European region (e.g. Versalis, JSR and Arlanxeo). The majority of customers consider these suppliers credible for meeting their demands in the EEA.[102] Furthermore, the large majority of customers indicate that sufficient SSBR suppliers will remain post-Transaction.[103]

(73) Even more so than for ESBR, the vast majority of SSBR is used in the production of tyres. Therefore, the evidence of buyer power set out in paragraph (60) holds true for SSBR as well. Moreover, customers that responded to the Commission's market investigation often multisource SSBR as well, but to a lesser extent than ESBR. In particular for functionalised SSBR, customers explain that for certain grades few or no alternative suppliers are available.[104] In line with this, while a majority of customers that responded to the Commission's market investigation indicate that they can drop-in substitute non-functionalised SSBR, this is not the case for functionalised SSBR.[105]

(74) The large majority of customers that responded to the Commission's market investigation do not consider the Parties particularly close competitors for SSBR. Competitors that responded to the Commission's market investigation consider that the Parties are particularly close for non-functionalised SSBR, but not for functionalised SSBR.[106] In this respect, the Commission notes that the Target focuses on functionalised SSBR, representing [a very high percentage]% of its SSBR production volume in 2020, while Synthos is not active in this area.[107]

(75) [Details about Synthos' research and development projects].[108] [Details about Synthos' research and development projects].[109] [Details about Synthos' research and development projects].[110] [Details about Synthos' research and development projects] In line with this, the vast majority of customers and competitors that responded to the Commission's market investigation do not consider Synthos a particularly innovative player with respect to SSBR.[111] Furthermore, various suppliers of functionalised SSBR grades remain available on the market.

(76) The large majority of customers that responded to the Commission's market investigation indicated that they expect the Transaction to have a neutral, or even positive effect on competition for the market for SSBR both globally and in the

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102 See replies to questions 10 and 11, Q1 - Questionnaire to SBR customers.

103 See replies to questions 24.2 and 24.3, Q1 - Questionnaire to SBR customers.

104 See replies to questions 15.2 and 15.3, Q1 - Questionnaire to SBR customers.

105 See replies to questions 16.2 and 16.3, Q1 - Questionnaire to SBR customers.

106 See replies to questions 13.2 and 13.3, Q1 - Questionnaire to SBR customers and Q2 – Questionnaire to SRB competitors.

107 Form CO, Figure 15.

108 Form CO, paragraph 315.

109 Form CO, paragraph 307(i).

110 Form CO, Table 34.

111 See replies to question 20, Q1 - Questionnaire to SBR customers and question 21, Q2 - Questionnaire to SBR competitors.

EEA.[112] Additionally, a majority of competitors expect a neutral impact on the market for SSBR both globally and in the EEA.[113]

(77) Based on the above, the Commission concludes that the Transaction does not raise serious doubts as to its compatibility with the internal market in relation to the market for SSBR globally or in the European region due to horizontal non-coordinated effects.

## 5. CONCLUSION

(78) Based on the above, 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)*
*Margrethe VESTAGER*
*Executive Vice-President*

[112] See replies to questions 23.2 and 23.3, Q1 - Questionnaire to SBR customers.
[113] See replies to questions 26.2 and 26.3, Q2 - Questionnaire to SBR competitors.