

CMA breaks up motor parts merger

The CMA will require TVS Europe Distribution to sell 3G in order to protect competition in the commercial vehicle and trailer parts sector.

Following an in-depth Phase 2 investigation, the Competition and Markets Authority (CMA) has concluded that TVS Europe Distribution Limited, which owns Universal Components UK Limited (Universal Components), must sell the competing 3G Truck & Trailer Parts Ltd (3G) business it purchased in February 2020.

In its final report, published today, the CMA found that Universal Components and 3G currently compete closely to supply replacement parts for commercial vehicles and trailers to motor factors (local distributors), who in turn sell on to independent garages and repairers in the UK.

After the merger, customers seeking to purchase a wide range of parts from a single supplier would likely have limited alternatives to choose from. This could lead to local distributors and repairers facing higher costs and poorer service, such as longer delivery times or worse stock range and quality.

In reaching its decision, the CMA analysed a significant body of evidence looking at how closely the 2 businesses compete, including the companies' internal documents and feedback from customers and competitors.

The companies' internal documents showed that the businesses monitor each other closely when deciding their strategies and setting prices. There was also considerable evidence that Universal Components' decision to buy 3G was motivated, in part, by the desire to remove one of its main competitors from the market.

The CMA has concluded that the only effective way to address the loss of competition from the merger is to require TVS Europe Distribution Limited to sell 3G to a buyer approved by the CMA.

Kirstin Baker, Inquiry Group Chair, said:

"These are two of the leading suppliers of commercial vehicle and trailer parts to businesses across the UK. Following our in-depth investigation, we have found that their merger would likely result in a significant loss of competition, leading to distributors, garages and repairers facing less product choice, poorer service and higher prices.

"These garages and repairers play a vital role in keeping commercial vehicles on the road, so our decision that 3G must be sold to a buyer approved by the CMA will protect businesses and consumers in the UK in the long term."

For more information, visit the [TVS Europe Distribution Limited / 3G Truck & Trailer Parts merger inquiry](#) web page.

For media enquiries, contact the CMA press office on 020 3738 6460 or

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