

# Mergers: Commission approves the acquisition of Uniper by Fortum

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Ensuring competition in European power markets is essential since electricity is a good that everyone uses. Fortum and Uniper are important players in the generation of electricity in the Nordic countries, in particular in Sweden. We can approve their proposed merger, in particular because of the high level of interconnectivity between different countries in the Nordic area and because there is significant spare generation capacity in Sweden. As a result, we found that competition will remain strong after the merger. “*

Fortum and Uniper are both companies active in the energy sector. The Commission assessed the impact of the transaction on:

- The generation and supply of electricity and ancillary services in Sweden – the only country where both companies have generation assets. This assessment also took into account Fortum’s generation activities in Finland;
- The financial trading of electricity in the Nordic countries; and
- Various energy-related activities where one or both companies are active, such as the retail supply of electricity and district heating, as well as energy production-related services.

During its investigation, the Commission received feedback from a large number of competitors and customers of Fortum and Uniper, as well as regulators, grid operators and energy exchanges, in particular Nord Pool, through which electricity is traded in the Nordic countries and the Baltics.

The Commission’s investigation found that the transaction:

- Is unlikely to hinder effective competition in the generation and supply of electricity given, in particular, the combined moderate market share of the parties in Sweden (around 30%), the high level of interconnectivity with neighbouring countries, the significant spare capacity available in Sweden and the likely reaction of other producers to any price increases by the merged entity.
- Will not increase the risk of coordination in the generation and wholesale of electricity in Sweden, for example due to the complexity of such a strategy.
- Is unlikely to lead to distortions of competition with regard to ancillary services in Sweden, in particular because of the available spare capacity and/or possible third-party expansion, the possibility of importing electricity and the fact that the grid operator is actively increasing the potential for new suppliers to participate in these markets.
- Will not materially decrease the liquidity of the financial electricity market in the Nordic countries or to raise trading prices.

Therefore, the Commission concluded that the transaction would raise no competition concerns in any of the affected markets.

### **Companies and products**

**Fortum**, based in Finland, is an energy group principally active in power and heat generation in the Nordic countries. It is also active in other European countries, as well as in Russia and India.

**Uniper**, based in Germany, is an energy group active in Europe and Russia, comprising the former conventional power utility and commodities businesses of E.ON.

### **Merger control rules and procedures**

The transaction was notified to the Commission on 7 May 2018.

The Commission has the duty to assess mergers and acquisitions involving companies with a turnover above certain thresholds (see Article 1 of the [Merger Regulation](#)) and to prevent concentrations that would significantly impede effective competition in the EEA or any substantial part of it.

The vast majority of notified mergers do not pose competition problems and are cleared after a routine review. From the moment a transaction is notified, the Commission generally has a total of 25 working days to decide whether to grant approval (Phase I) or to start an in-depth investigation (Phase II).

A non-confidential version of today's decision will be available on the Commission's [competition](#) website, in the [public case register](#) under the case number [M.8660](#).