

# Mergers: Commission opens in-depth investigation into Wieland's proposed acquisition of Aurubis Rolled Products and Schwermetall

Commissioner Margrethe **Vestager**, in charge of competition policy, said: *“Copper is used not only in many industries but also in our homes, in electrical equipment or piping. The proposed transaction would bring together the top two suppliers of copper rolled products in an industry that is already highly concentrated and where, just a few days ago, we opened another in-depth investigation. Therefore, the Commission will closely analyse the impact on competition of Wieland’s proposed acquisition of Aurubis Rolled Products and Schwermetall, to ensure their customers and final consumers are not harmed.”*

Wieland and Aurubis Rolled Products both produce rolled copper products and copper alloys. Rolled copper products are used as an input in the manufacturing of many products, including transformers, semiconductors, heat exchangers and roofing materials. In addition, Aurubis Rolled Products produces billets, an input in the manufacturing of copper tubes.

Schwermetall produces pre-rolled strip made of copper, and copper alloys. Pre-rolled strip is used as an input in the manufacturing of rolled copper products. Schwermetall sells pre-rolled strip to both Wieland and Aurubis Rolled Products, as well as to other copper manufacturers.

## **The Commission’s preliminary competition concerns**

The Commission’s initial market investigation identified the following main preliminary concerns:

- For **rolled copper products**, and notably for some **specific copper alloys** and some **specific end-applications**, the elimination of competition between Wieland and Aurubis Rolled Products could lead to higher prices and less choice of alloys.
- For **pre-rolled strip**, following the transaction, Wieland could make access to this important input manufactured by Schwermetall more costly or difficult for its competitors in rolled copper products.
- For **billets**, following the transaction, Wieland could make access to this important input manufactured by Aurubis Rolled Products more costly or difficult for its competitors in the copper tubes sector.

The transaction was notified to the Commission on 13 June 2018. On 11 July 2018, Wieland submitted commitments to address some of the Commission’s preliminary concerns. However, the Commission considered these commitments insufficient to clearly dismiss its serious doubts. The Commission therefore did not test them with market participants.

The Commission now has 90 working days, until **10 December 2018**, to carry out an in-depth investigation into the effects of this transaction and determine whether its initial competition concerns are confirmed. The opening of an in-depth investigation does not prejudice the outcome of the investigation.

## **Companies and products**

**Wieland**, based in Germany, is active in the manufacturing and supply of semi-finished products made of copper and copper alloys. Wieland covers the production chain for copper products from casting shapes to selling semi-finished products. It manufactures rolled copper and copper alloys products in Germany, the United Kingdom, the US and Singapore.

**Aurubis Rolled Products**, based in Germany, is controlled by Aurubis AG and is active in the manufacturing and supply of semi-finished copper and copper alloy products. Aurubis is a worldwide provider of non-ferrous metals (including copper) and is the largest integrated European copper producer to serve the full value chain from the production of copper anodes, cathodes and shapes to the production of rolled and drawn copper products.

**Schwermetall**, based in Germany, is a 50/50 joint venture between Wieland and Aurubis. It is active in the manufacturing of pre-rolled copper and copper alloy strips.

## **Merger control rules and procedures**

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).

This transaction is one of two proposed mergers in the rolled copper sector that the Commission is currently assessing. On [23 July 2018](#), the Commission opened an in-depth investigation into the proposed acquisition of MKM by KME.

In addition to the current transaction, there are seven ongoing Phase II merger investigations: the [proposed acquisition of MKM by KME](#), the [proposed acquisition of Gemalto by Thales](#), the [proposed acquisition of Alstom by Siemens](#), the [proposed acquisition of Solvay's nylon business by BASF](#), the [proposed acquisition of Tele2 NL by T-Mobile NL](#), the [proposed acquisition of Shazam by Apple](#), and the [proposed merger of Praxair and Linde](#).

More information will be available on the Commission's [competition](#) website,

in the [public case register](#) under the case number [M.8900](#).