

Portugal

MERGER

Prohibition—phase II in-depth investigation—road transport sector—impact on consumers and procurers—barrier to third party entry—merger blocked

☞ Acquisitions; Passenger transport; Portugal; Road passenger transport operators

Portuguese Competition Authority (“PCA”) blocks Fundão Group/Transdev Group merger

On 6 October 2020, the PCA prohibited the acquisition of Fundão Group by Transdev Group, both active in public passenger road transport services, on the grounds that the merger was likely to eliminate competition in public passenger road transport services in central Portugal.

Following a phase II in-depth investigation, initiated on 26 February 2020, the PCA came to the conclusion that the acquisition of Fundão Group by Rodoviária da Beira Interior, a Transdev Group company, would likely result in the elimination of competition in future tender procedures for the provision of public passenger road transportation services in several districts in central Portugal, with harm to both consumers and procurers of transport services in a market that is currently in the process of liberalisation. In the PCA’s view, not only would Fundão Group and Transdev Group no longer compete with one another, but the merged entity would also be in a position to limit entry to third-party operators.

As legally required, the PCA requested the (non-binding) opinion of the sector-specific regulator, Authority for Mobility and Transport, which raised serious concerns regarding the proposed merger. In its investigation, the PCA also heard stakeholders, notably the municipalities affected, which likewise expressed concerns about the outcome of the merger.

The notifying parties did not submit any commitments capable of overcoming the competition concerns raised by the PCA and the proposed merger was therefore blocked.

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