

## MERGERS

*Concentration—ceramic coatings sector—commitments submitted—transaction cleared*

☞ Ceramics; Commitments; Mergers; National competition authorities; Portugal

### **Proposed acquisition of Ferro Corporation by Pigments Spain cleared by the Portuguese Competition Authority (PCA) with commitments**

On 28 December 2020, the PCA announced it had cleared the proposed acquisition of Ferro Corporation by Pigments Spain, SL, subject to commitments by the acquiring undertaking. The concentration, which had been notified to the PCA on 12 June 2020, consists of the proposed acquisition of sole control by Pigments Spain, SL, a Spanish company, over undertakings and assets currently owned by Ferro Corporation (Ferro Assets), which is also active in the provision of coatings to the ceramic floor and tile industry. In October 2020, the PCA opened an in-depth investigation of the merger, since the market investigation suggested that the entity resulting from the transaction could have the ability and incentive to adopt input foreclosure strategies, which could create significant barriers to competition, specifically in the production and supply of enamels, enamelled paints and digital paints, which are deemed to be indispensable inputs to the ceramic floor and tile industry. Pigments Spain submitted commitments, which included the sale to a third party of some of the assets to be acquired from Ferro Corporation in Portugal, to alleviate the PCA's competition concerns. The competition watchdog considered that the commitments were sufficient, proportionate and adequate and, at the end of December, cleared the transaction.

This transaction was the only concentration authorised by the PCA with commitments in 2020, a year which was also marked by one prohibition decision (referring to a merger in the public passenger road transport market) and several investigations for gun jumping. The latter resulted in the

imposition of a fine of €155,000 for gun jumping on a private Portuguese hospital and the issuing of a statement of objections against a company which is part of the Portuguese financial and insurance group Fidelidade.

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