



**REPUBLIC OF ALBANIA**  
**-THE COMPETITION AUTHORITY-**  
**-THE COMPETITION COMMISSION-**

No.\_\_\_\_ Prot.

Dated 18.12.2008

**D E C I S I O N**

**No. 97, Dated 18. 12. 2008**

**On**

**“On the authorization of the transaction realized through the acquisition of control over Volkswagen AG by Porsche SE Company”**

The Competition Commission, on its meeting held on 18.12.2008, with the participation of:

- |                            |                 |
|----------------------------|-----------------|
| ▪ Mrs. Lindita Milo (Lati) | Chairwoman      |
| ▪ Mr. Lush Përpali         | Deputy chairman |
| ▪ Mrs. Servete Gruda       | Member          |
| ▪ Mr. Koço Broka           | Member          |

Discussed the following issue:

**Subject:** On the authorization of the transaction realized through the acquisition of control over Volkswagen AG by Porsche SE Company.

**Legal basis:** Law No. 9121, dated 28.07.2003 “On Protection of Competition”, as amended, Article 24, letter “d”, Articles 10-12, Chapter IV “Procedures for the control of concentrations”, Articles 53-56, Regulation “On the implementation of procedures for the concentration of undertakings”, Guideline “On the form of the notification of concentration” and Annex I – Form of the Notification of Concentrations”.

Upon reviewing the report presented by the Secretariat and the presentation made by the Secretary General on the case of the concentration realized through the acquisition of control over Volkswagen AG by Porsche SE Company, the Competition Commission,

## NOTED THAT:

### I. The transaction

1. Porsche Automobil Holding SE (Porsche SE) is the owner of 35.52 percent of the shares in Volkswagen AG Company. With the realization of the transaction of date 16 June 2008, Porsche SE has purchased another 4,92% of the shares with voting rights in Volkswagen AG Company. By doing do, it has acquired control over it.
2. The transaction realized through the acquisition of control over Volkswagen AG by the buyer, Porsche Automobile Holding SE, has been notified to the Competition Authority on behalf of the bufer on 12 September 2008.
3. This transaction brings about changes in the quality of the control over Volkswagen AG Company over a long-term and in a continuous way. Therefore, in the meaning of Article 10, paragraph 1, letter "b", and dhe Article 10, paragraph 2 of Law No. 9121, dated 28.07.2003 "On Protection of Competition", as amended, this is a concentration and is subject to review and authorization by the Competition Commission.

### II. Parties participating in the transaction

**Porsche Automobil Holding SE (Porsche SE)**, in its quality of **Buyer**, is a holding company, which is owned and jointly controlled by Porsche & Piëch families, and has been founded and functions in compliance with the legislation in effect in the Federal Republic of Germany. The company has its headquarters in Stuttgart, Germany.

3. Porsche SE develops, produces cemmerses and selis vehicles of all types, in partikular vehicles used for sportive purposes-SUV<sup>(1)</sup>, sportin vehicles and spare parts, through its daughter companies: Porsche AG, with headquarters in Stuttgart, Germany, and Porsche Holding GmbH, with headquarters in Salzburg, Austria. Both companies are owned 100% and jointly, indirectly controlled by Porsche & Piëch families.
4. In the Albanian market, Porsche Holding, is presented and operates through Porsche Albania Shpk, a limited liability company, founded in the year 2005 and that functions in compliance with the legislation in effect in the Republic of Albania. Its headquarters are at the following address: "Qendra e Biznesit, Sky Tower", No 6/4, Blv. "Dëshmorët e 4 Shkurtit, Tirana, Albania".
5. **Volkswagen AG**, is a jonit-stock company, with headquarters in Wolfsburg, part of Volkswagen Group, has been founded and functions in compliance

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<sup>1</sup> Interim information on the first ten months of the fiscal year 2007/08, (sports utility vehicles - SUVs)

with the legislation in effect in the Federal Republic of Germany. Volkswagen AG company is one of the biggest car producers in the international market and produces nine vehicle trademarks, which are: Volkswagen, Audi, Seat, Skoda, Scania, Bentley, Lamborghini dhe Bugatti.

### III. Annual turnover

6. The total annual turnover in the international market of the parties participating in the transaction for the year 2007 is ..... bilion Lek, divided as follows:

**Porsche SE** : ..... Euro = ..... LEK.

**Volkswagen** : .....Euro = ..... LEK.

The total annual turnover in the national market (Albania) of the parties participating in the transaction for the year 2007 is ..... bilion Lek, divided as follows:

➤ **Porsche Albania shpk**: ..... Euro = .....LEK.

➤ **Volkswagen**: ..... Euro = ..... Lek.

7. Therefore, it results that the total annual turnover in the international and national markets of the parties participating in the transaction fulfills the criteria determined under Article 12 of the Law No. 9121, dated 28.07.2003 “On Protection of Competition”, as amended.

### IV. The product market

8. In determining the product market, the European Commission has defined the production and wholesale market, and the vehicle retail market, by grouping per type of vehicle, i.e. passenger vehicles, sportive vehicles, transport, etc.
9. In the Albanian market, the parties operate at the same market level, with regard to the import market and sale of new vehicles, of special trademarks.
12. The geographical market is the market of the Republic of Albania.
13. The parties participating in the transaction are present and operate in the Albanian market both directly and indirectly.

**Porsche** is directly active in the vehicles sales market through Porsche Holding Albania shpk. Company, which imports and sells vehicles of Porsche trademark, as well as their trademarks such as: Audi, Seat, Skoda, and Volkswagen LCV (vehicles for transport of goods).

**Volkswagen** is indirectly active in the vehicles sales market through its company branch situate in Italy, from which the Albanian company Classic shpk, imports and sells vehicles of Volkswagen trademark.

## **V. Evaluation of competition after the concentration**

14.The import market and the market for the sale of new vehicles is not a very developed market in Albania, compared to the total number of imported vehicles. The total number of vehicles imported into Albania during the year 2007 is 27.549, of which 3599 are new, and occupy a market share of 13% out of the total market of vehicles. However, in relation to the first half of the year 2008, this market share is 18%, and therefore we might say that there is an upward trend in the use of new vehicles.

15.The market shares in the new vehicles' sale market for Porsche SE and Volkswagen AG for the year 2007are, respectively:

**7.7 percent** for Porsche (in a direkt way through its daughter company Porsche Albania)

**15 percent** for Classic shpk company (in a direkt way).

16.Based on the calculation of Hirshman Herfindal index, the trading of new vehicles is moderately concentrated before and after the concentration.

17.In relation to the above, and by taking into account the specific characteristics of the vehicles' market, the competition between various trademarks, and the considerable market share in the import market occupied by used vehicles, it results that the realized concentration does not create or reinforce the dominant position in none of the undertakings that are parties to the transaction.

## **THE COMPETITION COMMISION**

Pursuant to Article 24, letter "d", and Article 56 of Law No. 9121, dated 28.07.2003 "On Protection of Competition", as amended,

### **DECIDED:**

To authorize the transaction realized through the acquisition of control over Volkswagen AG by Porsche SE Company.

**THE COMPETITION COMMISSION**

**Lush Përpali**  
(          )  
**Deputy Chairman**

**Servete Gruda**  
(          )  
**Member**

**Koço Broka**  
(          )  
**Member**

**Lindita Milo (Lati)**  
**CHAIRWOMAN**