

PRESS RELEASE

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The Belgian Competition Authority approves the acquisition of Porsche Centre East-Flanders by D'leteren subject to conditions aimed to remedy possible anti-competitive effects

On 22 March 2024, D'leteren Automotive nv (D'leteren) notified to the Belgian Competition Authority (BCA) the proposed acquisition of the Porsche dealership “Porsche Centre East-Flanders” in Sint-Martens-Latem.

The official Porsche network currently comprises nine locations in Belgium, of which D'leteren owns six. The proposed transaction would lead to the acquisition of a seventh location by D'leteren. D'leteren is also the official importer of new Porsche vehicles and original spare parts for the Belgian territory, and is responsible - in agreement with Porsche AG - for the approvals of official Porsche garage.

The proposed transaction was thoroughly examined in light of its potential impact on the relevant markets, in particular the local maintenance and repair markets for Porsche vehicles. The vertical relationships between D'leteren as official Porsche importer in Belgium and its downstream Porsche dealership activities were also analysed in detail. In its assessment, the BCA took into account the specific dynamics of the luxury segment in which Porsche operates.

The initial review concluded that there were serious doubts regarding the admissibility of the proposed transaction mainly in the maintenance and repair markets because already high market shares in certain local markets would further increase as a result of the transaction and reduce the remaining competitive pressure (due to non-coordinated unilateral effects), which may lead to higher prices and/or lower quality. In addition, risks of possible source foreclosure strategies vis-à-vis the remaining independent Porsche dealerships were also identified as these are highly dependent on D'leteren for the supply of spare parts and the provision of all kinds of services. These serious doubts were communicated to D'leteren, which subsequently offered commitments. Following a market test, these commitments were considered appropriate by the BCA to remove the competition concerns previously identified.

The commitments contain several remedial measures aimed at safeguarding effective competition such as guarantees regarding existing and new approvals of Porsche sales and/or after-sales outlets, the implementation of a “Chinese walls” policy regarding commercially sensitive information relating to Porsche between the import and the retail divisions of D'leteren, under BCA supervision, as well as a general non-discrimination obligation on the part of D'leteren towards independent garages. D'leteren has also committed to a voluntary notification to the BCA of any future acquisitions of a remaining Porsche dealership even if such acquisitions were to fall below the statutory thresholds.

The duration of the commitments was set at 10 years. An annual reporting obligation and a dispute resolution procedure will allow the BCA to monitor the implementation and the effects of the commitments post-merger.

For more information you may contact:

Axel Desmedt

President

Tel: +32 (2) 277 92 80

E-mail: axel.desmedt@bma-abc.be

Website: www.belgiancompetition.be

The Belgian Competition Authority (BCA) is an independent administrative authority that contributes to the definition and implementation of competition policy in Belgium. Concretely, the BCA pursues anti-competitive practices, such as cartels and abuses of a dominant position, and reviews the main merger operations. The BCA cooperates with the other competition authorities of the member states of the European Union and the European Commission within the European Competition Network (ECN)