



DETERMINATION OF MERGER NOTIFICATION M/06/083 – DEUTSCHE POST/TSO

Section 21 of the Competition Act 2002

Proposed acquisition by Deutsche Post AG of The Stationery Office Holdings Limited

Dated 07/12/06

Introduction

1. On 15 November 2006, the Competition Authority (“the Authority”), in accordance with Section 18 (1) of the Competition Act, 2002 (“the Act”) was notified, on a mandatory basis, of a proposal whereby Deutsche Post AG (“Deutsche Post”) would acquire the entire issued share capital of The Stationery Office Holdings Limited (“TSO”).

The Undertakings Involved

2. Deutsche Post, the acquirer, is a public limited company incorporated under German Law. Its primary activity is the provision of a national postal service in Germany under an exclusive licence conferred under German law¹.
3. In addition, the acquirer is active world-wide in a range of mail and logistics services which include: document and parcel delivery; express freight; freight forwarding; contract logistics; document business process outsourcing (“DBPO”)²; and financial services.
4. In the State, Deutsche Post is active in the provision of international parcel delivery, document delivery services and domestic and international standard business parcel services. It does not provide DBPO services in the State.
5. For the year ended 2005, the consolidated worldwide group turnover of the acquirer was €44,594 million of which [...] was generated from its activities in the State.
6. TSO, the target, is a United Kingdom registered company³ and is primarily active in the provision of:

¹ This licence will expire on 31 December 2007.

² Deutsche Post acquired a majority shareholding in Williams Lea Limited, a company headquartered in the United Kingdom, in 2006. This transaction was notified to the European Commission and cleared by simple procedure. Williams Lea Limited provides a full range of DBPO services and it is primarily through Williams Lea limited that Deutsche Post provides DBPO services to its customers.

³ TSO was privatised from HMSO (now OPSI) in 1996.

- *publishing services*
The target provides publishing services to its clients, the vast majority of which are public sector clients, primarily in the United Kingdom. These services are not provided by the target in the State. Its publishing activities comprise the production of publications for its clients using its clients' intellectual property. Examples of the type of publication published by the target include:
 - European Audiovisual Observatory Focus 2005: world film market trends - Strasbourg: Council of Europe;
 - Participatory communication strategy design: a handbook - 2nd ed - Paolo Mefalopulos, Chris Kamlongera. - Rome;
 - FAO - Prepared for the SADC Centre of Communication for Development in collaboration with the Communication for Development Group (FAO). SADC = South Africa Development Community;
 - The health & social care yearbook 2005-2006: the official handbook of the Institute of Healthcare Management - ISSN 17483654 - Jeremy Millar (chief executive). - Basildon: Binleys;
 - Office for National Statistics - Census 2001: general report for England and Wales. - 2005 ed.; and
 - Transport and communications bulletin for Asia and the Pacific: Dangerous Goods: Recommendations - Asia & Pacific region.

- *sale of published material to customers*
The target sells the publications of its clients to customers such as book shops, universities, businesses and libraries. Some sales of the publications published by the target for its clients are made to customers in the State; and,

- *provision of DBPO services*
The target provides several types of DBPO services: (1) document creation; (2) document production; and (3) document distribution. These services are not provided by the target in the State.

7. For the year ended 2005, the world-wide activities of TSO generated [...] million from which [...] (or less than [...]%) of the target's total turnover) derived from the target's sale of its clients publications in the State.

Analysis

8. The activities of the undertakings involved do not overlap in the State. Deutsche Post offers international parcel delivery, document delivery services and domestic and international standard business parcel services to customers in the State, while TSO sells the publications it publishes on behalf of its clients to customers in the State.

9. The Authority has therefore concluded that the proposed transaction does not give rise to competition concerns and will not lead to a substantial lessening of competition in the State

Determination

The Competition Authority, in accordance with Section 21(2)(a) of the Competition Act, 2002, has determined that, in its opinion, the result of the proposed acquisition by Deutsche Post AG of The Stationery Office Holdings Limited will not be to substantially lessen competition in markets for goods and services in the State and, accordingly, that the acquisition may be put into effect.

For the Competition Authority

Dr. Paul K. Gorecki
Member of the Competition Authority