

PRESS RELEASE

The purchase of Cemex España's assets by Çimsa Çimento enters the second phase

- The CNMC will analyse the possible barriers to competition in the national market for the manufacture and sale of white cement and in the upstream market of clinker for the production of white cement.
- Once the confidential elements have been removed, a short release will be published on the website with details of the operation.
- The potentially affected individuals or legal entities and the Council of Consumers and Users have ten days to provide their comments.

Madrid, 31 July 2019. The CNMC has agreed to initiate the second phase in the procedure to authorise the purchase of Cemex España's assets by Çimsa Çimento Sanayi Ve Ticaret. A two-month period will begin, during which there will be an in-depth analysis of the possible barriers to the maintenance of effective competition in the national market for the manufacture and sale of white cement and in the upstream market of clinker for the production of white cement. ([C/1052/19](#)).

On 5 July 2019, notification was received of the acquisition by Çimsa Çimento Sanayi Ve Ticaret of the white cement business of the companies Cemex España Operaciones, Cemex, S.A.B. de C.V. and Cemex España., excluding certain assets.

After analysing the operation and consulting various operators, the CNMC's first phase analysis allowed it to conclude that the merger operation notified is likely to have effects on competition in the market for the manufacture and sale of white cement and in the upstream market of clinker for the production of white cement. The risks associated with the operation are very different depending on the geographic area considered, so it must be determined whether it is a national or supranational market.

In addition, in terms of market concentration, there are reasonable doubts about the risks that the operation may entail. It is a market where there is already a limited number of operators, so this acquisition would result in greater bargaining power for the manufacturers compared to their customers, with the risk of an increase in prices as a result of the operation.

In addition, it is also considered necessary to confirm the relevant geographic market for the manufacture and sale of clinker (used in the production of white cement) in which the parties are present, to properly assess the vertical overlap of the operation.

As a result, the CNMC has agreed to initiate the second phase of the procedure. It considers that the aforementioned merger could possibly prevent the maintenance

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of effective competition in the white cement market as well as in the upstream clinker market.

Comments period

Within the framework of this second phase, the CNMC will carry out an in-depth assessment of the possible barriers to maintaining effective competition in the markets under analysis resulting from this operation. For this, in the next few days a short note will be published on the CNMC's website aimed at informing individuals and legal entities that may be affected by this merger and the Council of Consumers and Users. Comments must be received within a ten-day period.

More information about the analysis of mergers in [the CNMC Blog](#):

- [At the CNMC we monitor mergers](#) .

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