



## **DETERMINATION OF MERGER NOTIFICATION M/06/017 – CRHD/Syncotec**

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### **Section 21 of the Competition Act 2002**

### **Proposed acquisition of Syncotec GmbH and Syncotec Immobilien GmbH & Co. Kommanditgesellschaft by CRH Deutschland GmbH**

**Dated 3/04/06**

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### **Introduction**

1. On 27<sup>th</sup> February 2006, during a pre-notification meeting concerning Notification M/06/012-CRH(SKS)/Halfen, the Competition Authority (“the Authority”) was advised that the acquisition of Syncotec by CRHD was completed in October 2005 and that that transaction was notifiable under Section 18(1)(1) of the Competition Act, 2002, but was not notified to the Authority and approved prior to its being put into effect. However, the transaction was notified to the German Bundeskartellamt and approved prior to its being put into effect.
2. On 15<sup>th</sup> March 2006, the Authority, in accordance with Section 18(1) of the Competition Act, 2002 (“the Act”), was notified on a mandatory basis of the acquisition by CRH Deutschland GmbH (“CRHD”) of all the shares in Syncotec GmbH and Syncotec Immobilien GmbH & Co. Kommanditgesellschaft (collectively referred to as “Syncotec”).

### **Undertakings Involved**

3. CRHD, the acquirer, is a German wholly-owned subsidiary of CRH plc (“CRH”). CRH is the ultimate parent of the CRH group which is globally active in three core businesses: (a) primary building materials, (b) value added building products and (c) specialist building materials distribution. In Ireland, CRH’s activities are limited to the production of mainly primary building materials, including but not limited to, cement, burnt and hydrated lime, aggregates, readymixed concrete, concrete pipes and blocks, rooftiles, pre-cast concrete walls and EPS insulation. CRH is not active in construction accessory business in Ireland.<sup>1</sup>
4. In October 2005, the German group of companies, Syncotec, was acquired by CRHD. Syncotec is mainly active in the production and marketing of concrete and steel spacers for reinforcement concrete structures. Spacers are used to keep reinforcing steel in a stable position during its being set in concrete and

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<sup>1</sup> Prior to 2003 CRH was not active in the construction accessory products business. CRH started its construction accessory products business in 2003 following its acquisition of Plakabeton, a Belgian company. Since then it has acquired a number of companies, including Syncotec, which are involved in the construction accessory business. The acquisition of each of (a) Plakabeton in 2003; (b) Mavotrons, a Dutch company, in 2004; and (c) Aschwanden, a Swiss company in 2005, was not notified in the Ireland because none of these companies had physical presence nor made sales into the island of Ireland.

to ensure the necessary distance between the reinforcing steel and the formwork. In 2005, Syncotec supplied construction accessories valued at [less than €1 million] to Construction Accessories Limited, an independent distributor, which resells the products directly to customers in Ireland.

### **Analysis**

5. Neither CRH nor Syncotec nor any company within CRH has any production, supply or distribution facilities for construction accessory products in Ireland. Prior to its acquisition of Syncotec, neither CRH nor any company within CRH sold or supplied construction accessory products in Ireland. As such, there was no overlap between the activities of the parties at the time of the acquisition of Syncotec by CRHD, in the State.<sup>2</sup> Therefore, the transaction did not raise competition concerns.

### **Determination**

The Competition Authority, in accordance with Section 21(2) of the Competition Act, 2002, has determined that, in its opinion, the result of the acquisition by CRH Deutschland GmbH of all the shares in Syncotec GmbH and Syncotec Immobilien GmbH & Co. Kommanditgesellschaft would 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**

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<sup>2</sup> Subsequently, CRH has proposed to acquire the Halfen Group of companies which is the subject of the Authority's Determination in M/06/012.