UOKiK ISSUES OBJECTIONS TO A CONCENTRATION – NORD STREAM 2

**UOKiK has issued objections to a concentration in which six firms would form a joint venture responsible for construction and operation of the Nord Stream 2 gas pipeline.**

**[Warsaw, 22 July 2016]** UOKiK received a [filing for clearance of a concentration](https://uokik.gov.pl/news.php?news_id=12063&news_page=1) in December 2015 and in February 2016 referred the case for further analysis in [the second step of proceedings](https://uokik.gov.pl/news.php?news_id=12175&news_page=1).

The notifying parties were the following:

1)  PAO Gazprom, the Russian Federation,

2)  E.ON Global Commodities SE, Germany,

3)  ENGIE SA, France,

4)  OMV Nord Stream II Holding AG, Switzerland,

5)  Shell Exploration and Production (LXXI) B.V., the Netherlands,

6)  Wintershall Nederland B.V., the Netherlands.

The company formed by the six parties named above would design, finance, construct, and operate an offshore twin pipeline system running from the Russian Baltic coast to an exit point near Greifswald, Germany.

Market study was needed as a part of the analysis of the implications of the transaction. UOKiK asked firms operating on the natural gas market in Poland for their appraisal of the planned concentration. The following firms were approached: the gas transmission system operator Operator Gazociągów Przesyłowych Gaz – System, the Szczecin and Świnoujście Seaports Authority, Europol Gaz (operator of the Yamal – Europe pipeline), Polski LNG (responsible for construction and operation of the LNG terminal in Świnoujście), Polskie Górnictwo Naftowe i Gazownictwo, and more than 20 natural gas importers. The Polish Energy Regulatory Office was also asked to give its appraisal of the deal.

Following an analysis of the gathered material UOKiK released objections to the concentration in question. The Office found that the concentration might lead to restriction of competition. At the moment Gazprom has a dominant position with respect to transmission of gas to Poland, and the planned transaction could further strengthen the company’s negotiating position with regard to users in Poland.

In cases in which there are reasonable grounds to suppose that a concentration might lead to significant restriction of competition, the President of UOKiK informs the business undertaking or undertakings of its objections to the planned transaction. While a statement of reasons is provided with the information about the objections, it **does not determine the decision that is eventually issued in the case.**

As provided for by law business undertakings may present their standpoint with respect to the objections within 14 days from the date on which the objections are issued. They can also request that this time limit be extended by a further two weeks.

**Additional information for the media:**

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