Conditional approval at the cables and wires market

* **President of UOKiK Tomasz Chróstny has granted conditional approval for concentration in the wholesale** **market of electrical and technical products.**
* **A German company, that is, FEGA & Schmitt Elektrogroßhandel, may acquire the Wrocław company TIM provided, however, that a portion of the acquired property is sold.**

**[Warsaw, 29 January 2024]** The acquiring company, **FEGA & Schmitt Elektrogroßhandel**,is a German company providing services of distribution of electrical and technical products and the ensuing logistics services. It distributes its products exclusively via traditional electrical wholesale stores. It is a member of the Adolf Würth Group which is an international wholesaler and manufacturer of electrical installation, industry automatics, cables and wires, among other things. The company to be acquired is the **Wrocław company TIM** which is listed on the Warsaw Stock Exchange and distributes electrical and technical products. TIM operates in line with the omnichannel formula, offering sales both via online store, mobile application, via email, by phone as well as through its sales offices and agents. It holds 18 sales offices located in various provinces, two distribution centres and a central warehouse.

As part of the market research, we have sent inquiries to 129 competitors of the merging companies. Wholesale stores distributing electrical and technical products were primarily asked to provide data from the years: 2021-2022, including, among others, sales value, distance where 80 percent of sale was performed as well as a type of transportation used for orders within that timeframe. Moreover, we have gathered opinions of entrepreneurs about the scheduled concentration and its possible consequences.

- *The investigation we had made has shown that the operations of merging entities may lead to a violation of competition on a regional market covering an area of 80 km from a TIM wholesale store located in Zielona Góra, which has resulted in the decision on imposing an additional condition covering the sales of a portion of assets* - says Tomasz Chróstny, the President of UOKiK.

Following the condition imposed, the acquiring party must sell the shop located at ul. Krośnieńska in Zielona Góra which is held by the TIM company. The condition will comprise, among others, a transfer, onto the new owner, of the store space lease, rights and obligations under employees’ contracts, accounting and trade documentation as well as a base of customers of the wholesale store located in Zielona Góra. The investor should be independent of the two companies and should guarantee continued operations of the wholesale store. Following the condition imposed, the President of UOKiK will approve proposals of potential investors. Additionally, the company FEGA & Schmitt Elektrogroßhandel will be obliged to submit, at the President of UOKiK, the information on the satisfaction of the condition imposed.

According to the law, the merger is subject to notification to the antitrust authority if it involves undertakings whose aggregate turnover generated in the preceding year exceeded EUR 1 billion worldwide or EUR 50 million in Poland.

The decision is not final. The party notifying the Office has the right to appeal to the Court of Competition and Consumer Protection. At the same time, please note that information on all concentration-related antitrust proceedings conducted by UOKiK is posted on the [UOKiK website](https://uokik.gov.pl/koncentracje.php).