

Completed acquisition by Veolia Environnement S.A. of a minority shareholding in Suez S.A. and anticipated public takeover bid by Veolia Environnement S.A. for the remaining share capital of Suez S.A.

Decision to refer

ME/6908-20

The CMA's decision to refer under section 33 of the Enterprise Act 2002 given on 21 December 2021. Full text of the decision published on 21 December 2021.

Introduction

1. Veolia Environnement S.A. (**Veolia** or **the Notifying Party**) proposes to acquire Suez S.A. (**Suez**) through two related transactions: its acquisition of a 29.9% minority shareholding in Suez from an existing Suez shareholder, Engie S.A., on 6 October 2020 (the **Completed Acquisition**) and the voluntary public offer by Veolia for the remaining issued share capital of Suez, which has not yet completed (the **Anticipated Acquisition**) (together the Completed Acquisition and the Anticipated Acquisition are the **Merger**). The CMA is exercising its discretion under sections 27(5) and 29 of the Enterprise Act 2002 (the **Act**) to treat those transactions as having occurred simultaneously on the date of the last transaction (ie the future date of the Anticipated Transaction). Veolia and Suez are together referred to as the **Parties**.
2. On 7 December 2021, the Competition and Markets Authority (**CMA**) decided under section 33(1) of the the Act that it is or may be the case that the Merger consists of arrangements that are in progress or in contemplation which, if carried into effect, will result in the creation of a relevant merger situation, and that this may be expected to result in a substantial lessening of competition (**SLC**) within a market or markets in the United Kingdom (the **SLC Decision**).¹

¹ See <https://www.gov.uk/cma-cases/veolia-slash-suez-merger-inquiry>.

3. On the date of the SLC Decision, the CMA gave notice pursuant to section 34ZA(1)(b) of the Act to the Parties of the SLC Decision. However, in order to allow the Notifying Party the opportunity to offer undertakings to the CMA for the purposes of section 73(2) of the Act, the CMA did not refer the Merger for a phase 2 investigation pursuant to section 33(3)(b) on the date of the SLC Decision.
4. Pursuant to section 73A(1) of the Act, if a party wishes to offer undertakings for the purposes of section 73(2) of the Act, it must do so before the end of the five working day period specified in section 73A(1)(a) of the Act. The SLC Decision stated that the CMA would refer the Merger for a phase 2 investigation pursuant to section 33(1), and in accordance with section 34ZA(2) of the Act, if no undertakings for the purposes of section 73(2) of the Act were offered to the CMA by the end of this period (ie by 14 December 2021); if the Notifying Party indicated before this deadline that it did not wish to offer such undertakings; or if the undertakings offered were not accepted.
5. On 14 December 2021, Veolia informed the CMA that it would not offer such undertakings to the CMA.

Decision

6. Therefore, pursuant to section 33(1) and in accordance with section 34ZA(2) of the Act, the CMA has decided to refer the Merger to its chair for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013 to conduct a phase 2 investigation.

Andrea Coscelli
Chief Executive
Competition and Markets Authority
21 December 2021