



सत्यमेव जयते



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**CCI approves the acquisition of Metso Oyj's ("Metso") minerals business by Outotec Oyj ("Outotec") under Section 31(1) of the Competition Act, 2002, [Combination Registration No. C-2020/03/735]**

The Competition Commission of India (**Commission**) has published the order approving the acquisition of Metso's minerals business ("Metso Minerals") by Outotec. All such assets, rights, debts, and liabilities of Metso that relate to, or primarily serve, its minerals business (comprising the mining, aggregates, minerals consumables, minerals services, pumps, and recycling businesses) will be acquired by Outotec. The approval is subject to modifications that are aimed at eliminating the likely anti-competitive effects of the proposed combination.

The above order was a result of an detailed inquiry undertaken pursuant to the notice given by Metso and Outotec under sub-section (2) of Section 6 of the Competition Act, 2002 (**Act**) on 12<sup>th</sup> March, 2020. The Commission found that the Proposed Combination is an integration of two strong and close competitors in the market for Iron Ore Palletisation (IOP) Equipment Island in India and appears to:

- a) limit the number of suppliers available to customer in this market in India;
- b) reduce the intensity of innovation in the technology for pelletizing technology and equipment;
- c) perpetuate the substantial market position of the Parties in the market; and reduce or eliminate the competitive pressure that would prevail in the absence of Proposed Combination;
- d) reduce the extent of countervailing bargaining power that the customers enjoy on account of the competition exerted by independent presence of Metso and Outotec;
- e) increase the cost of the entrants and rivals to compete and increase their presence in the market given that there is no likeliness of a timely and sufficient entry that could act as a competitive constraint to the combined entity;
- f) result in creation of a strong integrated player

Thus, the Commission was of the view that the proposed combination would reduce competition and confer the combined entity, the ability to increase price etc.

In order to address the competition concerns arising as a result of the proposed combination, the Parties proposed voluntary remedies / modifications (VRP). The Commission noted that VRP given by Parties eliminates the overlap between the Parties in the IOP segment in India and would effectively transfer Metso Minerals's Indian Straight Grate (SG) IOP capital equipment business to a suitable buyer, thereby preserving the competition.



The modification essentially involves transferring a right to fully use and exploit the SG IOP capital equipment drawings, including the related registered IP by way of an exclusive and irrevocable license, subject to a lump sum upfront payment and no ongoing royalties. VRP will allow the emergence of a new competitor, thus resolving any concerns whatsoever in relation to this segment.

The Order of the Commission is available at [https://www.cci.gov.in/sites/default/files/Notice\\_order\\_document/Order735.pdf](https://www.cci.gov.in/sites/default/files/Notice_order_document/Order735.pdf)

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