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Acts whose titles are printed in light type are those relating to day-to-day management of agricultural matters, and are generally valid for a limited period.

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I

(Acts whose publication is obligatory)

COUNCIL REGULATION (EC) No 941/2005

of 30 May 2005

amending Regulation (EC) No 1868/94 establishing a quota system in relation to the production of potato starch

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 37 thereof,

Having regard to the proposal from the Commission,

Having regard to the Opinion of the European Parliament [1],

Whereas:

(1) Article 2(1) of Council Regulation (EC) No 1868/94 [2] fixes the potato starch quotas for producer Member States for the 2002/2003, 2003/2004 and 2004/2005 marketing years.

(2) Under Article 3(2) of Regulation (EC) No 1868/94 the three-yearly quotas are to be allocated to producer Member States on the basis of a report from the Commission to the Council. The recent changes in the common agricultural policy and production in the Member States which joined the Community on 1 May 2004 should be taken into account to this end. Pending indication of the initial effects on the sector, the existing quotas for the 2004/2005 marketing year should therefore be rolled over for a further two years.

(3) Producer Member States should allocate their quotas for a period of two years among all potato starch manufacturers on the basis of the quotas for the 2004/2005 marketing year.

(4) Quantities used by potato starch manufacturers in excess of the sub-quotas available in the 2004/2005 marketing year are to be deducted in the 2005/2006 marketing year in accordance with Article 6(2) of Regulation (EC) No 1868/94.

(5) Regulation (EC) No 1868/94 should therefore be amended accordingly.

(6) The European Economic and Social Committee has given its opinion [3],

HAS ADOPTED THIS REGULATION:

Article 1

Articles 2 and 3 of Regulation (EC) No 1868/94 are hereby replaced by the following:

'Article 2

1. The potato starch producing Member States shall be allocated quotas for the 2005/2006 and 2006/2007 marketing years in accordance with the Annex hereto.

2. Each producer Member State referred to in the Annex shall allocate its quota among potato starch manufacturers for use in the 2005/2006 and 2006/2007 marketing years on the basis of the sub-quotas available to each manufacturer in 2004/2005, subject to application of the second subparagraph.

[1] Opinion delivered on 11 May 2005 (not yet published in the Official Journal).

[2] OJ L 197, 30.7.1994, p. 4. Regulation as last amended by the 2003 Act of Accession.

[3] Opinion delivered on 9 March 2005 (not yet published in the Official Journal).

The sub-quotas available to each manufacturer for the 2005/2006 marketing year shall be adjusted to take account of any amount used in excess of quota during the 2004/2005 marketing year in accordance with Article 6(2).

Article 3

1. No later than 30 September 2006, the Commission shall present to the Council a report on the allocation of quota within the Community, accompanied by appropriate proposals. The report shall take account of any changes in the payments to potato producers and of developments on the potato starch and cereal starch markets.

2. No later than 31 December 2006, the Council, acting on the basis of Article 37 of the Treaty, shall decide on the proposals from the Commission on the basis of the report referred to in paragraph 1.

3. No later than 31 January 2007, the Member States shall notify those concerned of the detailed rules adopted for the sector.'

Article 2

This Regulation shall enter into force on the seventh day following that of its publication in the *Official Journal of the European Union*.

It shall apply from 1 July 2005.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 30 May 2005.

For the Council
The President
F. BODEN

ANNEX

QUOTAS FOR THE 2005/06 AND 2006/07 MARKETING YEARS

(tonnes)

Czech Republic	33 660
Denmark	168 215
Germany	656 298
Estonia	250
Spain	1 943
France	265 354
Latvia	5 778
Lithuania	1 211
Netherlands	507 403
Austria	47 691
Poland	144 985
Slovakia	729
Finland	53 178
Sweden	62 066
Total	1 948 761

COMMISSION REGULATION (EC) No 942/2005

of 21 June 2005

establishing the standard import values for determining the entry price of certain fruit and vegetables

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Commission Regulation (EC) No 3223/94 of 21 December 1994 on detailed rules for the application of the import arrangements for fruit and vegetables [1], and in particular Article 4(1) thereof,

Whereas:

(1) Regulation (EC) No 3223/94 lays down, pursuant to the outcome of the Uruguay Round multilateral trade negotiations, the criteria whereby the Commission fixes the standard values for imports from third countries, in respect of the products and periods stipulated in the Annex thereto.

(2) In compliance with the above criteria, the standard import values must be fixed at the levels set out in the Annex to this Regulation,

HAS ADOPTED THIS REGULATION:

Article 1

The standard import values referred to in Article 4 of Regulation (EC) No 3223/94 shall be fixed as indicated in the Annex hereto.

Article 2

This Regulation shall enter into force on 22 June 2005.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 21 June 2005.

For the Commission
J. M. SILVA RODRÍGUEZ
Director-General for Agriculture and Rural Development

[1] OJ L 337, 24.12.1994, p. 66. Regulation as last amended by Regulation (EC) No 1947/2002 (OJ L 299, 1.11.2002, p. 17).

ANNEX

to Commission Regulation of 21 June 2005 establishing the standard import values for determining the entry price of certain fruit and vegetables

(EUR/100 kg)

CN code	Third country code (1)	Standard import value
0702 00 00	052	52,7
	204	35,2
	999	44,0
0707 00 05	052	87,7
	999	87,7
0709 90 70	052	92,6
	999	92,6
0805 50 10	388	55,4
	528	59,8
	624	69,7
	999	61,6
0808 10 80	388	93,7
	400	110,9
	404	90,8
	508	80,1
	512	66,9
	528	62,0
	720	99,5
	804	90,9
	999	86,9
0809 10 00	052	204,5
	624	189,0
	999	196,8
0809 20 95	052	305,8
	400	399,2
	999	352,5
0809 30 10, 0809 30 90	052	173,1
	999	173,1
0809 40 05	052	130,1
	624	165,3
	999	147,7

(1) Country nomenclature as fixed by Commission Regulation (EC) No 750/2005 (OJ L 126, 19.5.2005, p. 12). Code '999' stands for 'of other origin'.

COMMISSION REGULATION (EC) No 943/2005

of 21 June 2005

concerning the permanent authorisation of additives in feedingstuffs

(Text with EEA relevance)

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Directive 70/524/EEC of 23 November 1970 concerning additives in feedingstuffs [1], and in particular Articles 3 and 9d(1) thereof,

Having regard to Regulation (EC) No 1831/2003 of the European Parliament and of the Council of 22 September 2003 on additives for use in animal nutrition [2], and in particular Article 25 thereof,

Whereas:

(1) Regulation (EC) No 1831/2003 provides for the authorisation of additives for use in animal nutrition.

(2) Article 25 of Regulation (EC) No 1831/2003 lays down transitional measures for applications for the authorisation of feed additives submitted in accordance with Directive 70/524 before the date of application of Regulation (EC) No 1831/2003.

(3) The applications for authorisation of the additives listed in the Annexes to this Regulation were submitted before the date of application of Regulation (EC) No 1831/2003.

(4) Initial comments on those applications, as provided for in Article 4(4) of Directive 70/524/EEC, were forwarded to the Commission before the date of application of Regulation (EC) No 1831/2003. Those applications are therefore to continue to be treated in accordance with Article 4 of Directive 70/524/EEC.

(5) The use of the micro-organism preparation of *Enterococcus faecium* (NCIMB 10415) was provisionally authorised, for the first time, for chickens for fattening and for pigs for fattening by the Commission Regulation (EC) No 866/1999 [3]. New data were submitted in support of an application for authorisation without time-limit of that micro-organism preparation. The assessment shows that the conditions laid down in Article 3a of Directive 70/524/EEC for such authorisation are satisfied. Accordingly, the use of that micro-organism preparation, as specified in Annex I, should be authorised without a time-limit.

(6) The use of the enzyme preparation of endo-1,3(4)-beta-glucanase and endo-1,4-beta-xylanase produced by *Penicillium funiculosum* (IMI SD 101) was provisionally authorised for the first time for laying hens and for turkeys for fattening, by Commission Regulation (EC) No 418/2001 [4]. New data were submitted in support of an application for authorisation without a time-limit of that enzyme preparation. The assessment shows that the conditions laid down in Article 3a of Directive 70/524/EEC for such authorisation are satisfied. Accordingly, the use of that enzyme preparation, as specified in Annex II, should be authorised without a time-limit.

(7) The use of the enzyme preparation of endo-1,4-beta-xylanase produced by *Trichoderma longibrachiatum* (CNCM MA 6-10 W) was provisionally authorised for the first time for turkeys for fattening, by Regulation (EC) No 418/2001. New data were submitted in support of an application for authorisation without a time-limit of that enzyme preparation. The assessment shows that the conditions laid down in Article 3a of Directive 70/524/EEC for such authorisation are satisfied. Accordingly, the use of that enzyme preparation, as specified in Annex II, should be authorised without a time-limit.

[1] OJ L 270, 14.12.1970, p. 1. Directive as last amended by Commission Regulation (EC) No 1800/2004 (OJ L 317, 16.10.2004, p. 37).

[2] OJ L 268, 18.10.2003, p. 29. Regulation amended by Commission Regulation (EC) No 378/2005 (OJ L 59, 5.3.2005, p. 8).

[3] OJ L 108, 27.4.1999, p. 21.

[4] OJ L 62, 2.3.2001, p. 3.

(8) The use of the enzyme preparation of endo-1,4-beta-xylanase produced by *Trichoderma longibrachiatum* (ATCC 2105) and *subtilisin* produced by *Bacillus subtilis* (ATCC 2107) was provisionally authorised for the first time for chickens for fattening, by Commission Regulation (EC) No 1636/1999 [1]. New data were submitted in support of an application for authorisation without a time-limit of that enzyme preparation. The assessment shows that the conditions laid down in Article 3a of Directive 70/524/EEC for such authorisation are satisfied. Accordingly, the use of that enzyme preparation, as specified in Annex II, should be authorised without a time-limit.

(9) The use of the enzyme preparation of endo-1,3(4)-beta-glucanase produced by *Trichoderma longibrachiatum* (ATCC 2106) and endo-1,4-beta- xylanase produced by *Trichoderma longibrachiatum* (IMI SD 135) was provisionally authorised for the first time for chickens for fattening, by Regulation (EC) No 1636/1999. New data were submitted in support of an application for authorisation without a time-limit of that enzyme preparation. The assessment shows that the conditions laid down in Article 3a of Directive 70/524/EEC for such authorisation are satisfied. Accordingly, the use of that enzyme preparation, as specified in Annex II, should be authorised without a time-limit.

(10) The use of the enzyme preparation of 3-phytase produced by *Trichoderma reesei* (CBS 528.94) was provisionally authorised for the first time for piglets (weaned) and for pigs for fattening, by Commission Regulation (EC) No 2374/98 [2]. New data were submitted in support of an application for authorisation without a time-limit of that enzyme preparation. The assessment shows that the conditions laid down in Article 3a of Directive 70/524/EEC for such authorisation are satisfied. Accordingly, the use of that enzyme preparation, as specified in Annex II, should be authorised without a time-limit.

(11) The assessment of those applications shows that certain procedures should be required to protect workers from exposure to the additives set out in the Annexes. Such protection should be assured by the application of Council Directive 89/391/EEC of 12 June 1989 on the introduction of measures to encourage improvements in the safety and health of workers at work [3].

(12) The measures provided for in this Regulation are in accordance with the opinion of the Standing Committee on the Food Chain and Animal Health,

HAS ADOPTED THIS REGULATION:

Article 1

The preparation belonging to the group 'Micro-organisms', as specified in Annex I, is authorised for use without a time-limit as an additive in animal nutrition under the conditions laid down in that Annex.

Article 2

The preparations belonging to the group 'Enzymes', as specified in Annex II, are authorised for use without a time-limit as additives in animal nutrition under the conditions laid down in that Annex.

Article 3

This Regulation shall enter into force on the third day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 21 June 2005.

For the Commission
Markos KYPRIANOU
Member of the Commission

[1] OJ L 194, 27.7.1999, p. 17.
[2] OJ L 295, 4.11.1998, p. 3.
[3] OJ L 183, 29.6.1989, p. 1. Directive as amended by Regulation (EC) No 1882/2003 of the European Parliament and of the Council (OJ L 284, 31.10.2003, p. 1).

ANNEX I

EC No	Additive	Chemical formula, description	Species or category of animal	Maximum age	Minimum content	Maximum content	Other provisions	End of period of authorisation
					CFU/kg of complete feedingstuff			
Micro-organisms								
E 1705	*Enterococcus faecium* NCIMB 10415	Preparation of *Enterococcus faecium* containing a minimum of: Microencapsulated form: $1,0 \times 10^{10}$ CFU/g additive Granulated form: $3,5 \times 10^{10}$ CFU/g additive	Chickens for fattening	—	$0,3 \times 10^{9}$	$2,8 \times 10^{9}$	In the directions for use of the additive and premixture, indicate the storage temperature, storage life and stability to pelleting. May be used in compound feed containing the permitted coccidiostats: diclazuril, halofuginone, maduramicin ammonium, monensin sodium, robenidine, salinomycin sodium.	Without a time-limit
			Pigs for fattening	—	$0,35 \times 10^{9}$	$1,0 \times 10^{9}$	In the directions for use of the additive and premixture, indicate the storage temperature, storage life and stability to pelleting.	Without a time-limit

ANNEX II

EC No	Additive	Chemical formula, description	Species or category of animal	Maximum age	Minimum content	Maximum content	Other provisions	End of period of authorisation
					Units of activity/kg of complete feedingstuff			
Enzymes								
E 1604	Endo-1,3(4)-beta-glucanase EC 3.2.1.6 Endo-1,4-beta-xylanase EC 3.2.1.8	Preparation of endo-1,3(4)-beta-glucanase and endo-1,4-beta-xylanase produced by *Penicillium funiculosum* (IMI SD 101) having a minimum activity of: Powder form: endo-1,3(4)-beta-glucanase: 2 000 U [1]/g endo-1,4-beta-xylanase: 1 400 U [2]/g Liquid form: endo-1,3(4)-beta-glucanase: 500 U/ml endo-1,4-beta-xylanase: 350 U/ml	Laying hens	—	Endo-1,3(4)-beta-glucanase: 100 U Endo-1,4-beta-xylanase: 70 U	— —	1. In the directions for use of the additive and premixture, indicate the storage temperature, storage life, and stability to pelleting. 2. Recommended dose per kg of complete feedingstuff: endo-1,3(4)-beta-glucanase: 100 U endo-1,4-beta-xylanase: 70 U 3. For use in compound feed rich in non-starch polysaccharides, (mainly beta-glucans and arabinoxylans), e.g. containing more than 60 % barley or 30 % wheat.	Without a time-limit
			Turkeys for fattening	—	Endo-1,3(4)-beta-glucanase: 100 U Endo-1,4-beta-xylanase: 70 U	— —	1. In the directions for use of the additive and premixture, indicate the storage temperature, storage life, and stability to pelleting. 2. Recommended dose per kg of complete feedingstuff: endo-1,3(4)-beta-glucanase: 100 U endo-1,4-beta-xylanase: 70 U 3. For use in compound feed rich in non-starch polysaccharides, (mainly beta-glucans and arabinoxylans), e.g. containing more than 30 % barley or 20 % wheat.	Without a time-limit

EC No	Additive	Chemical formula, description	Species or category of animal	Maximum age	Minimum content	Maximum content	Other provisions	End of period of authorisation
					Units of activity/kg of complete feedingstuff			
E 1613	Endo-1,4-beta-xylanase EC 3.2.1.8	Preparation of endo-1,4-beta-xylanase produced by *Trichoderma longibrachiatum* (CNCM MA 6-10 W) having a minimum activity of: Powder form: 70 000 IFP [3]/g Powder form: 7 000 IFP/ml	Turkeys for fattening	—	1 400 IFP	—	1. In the directions for use of the additive and premixture, indicate the storage temperature, storage life and stability to pelleting. 2. Recommended dose per kg of complete feedingstuff: 1 400 IFP 3. For use in compound feed rich in non- starch polysaccharides (mainly arabinoxylans), e.g. containing more than 38 % wheat.	Without a time-limit
E 1630	Endo-1,4-beta-xylanase EC 3.2.1.8 Subtilisin EC 3.4.21.62	Preparation of endo-1,4-beta-xylanase produced by *Trichoderma longibrachiatum* (ATCC 2105) and subtilisin produced by *Bacillus subtilis* (ATCC 2107) with a minimum activity of: endo-1,4-beta-xylanase: 5 000 U [4]/g subtilisin: 1 600 U [5]/g	Chickens for fattening	—	Endo-1,4-beta-xylanase: 500 U Subtilisin: 160 U	— —	1. In the directions for use of the additive and premixture, indicate the storage temperature, storage life and stability to pelleting. 2. Recommended dose per kg of complete feedingstuff: endo-1,4-beta-xylanase: 500-2 500 U subtilisin: 160-800 U 3. For use in compound feed e.g. containing more than 65 % wheat.	Without a time-limit
E 1631	Endo-1,3(4)-beta-glucanase EC 3.2.1.6 Endo-1,4-beta-xylanase EC 3.2.1.8	Preparation of endo-1,3(4)-beta-glucanase produced by *Trichoderma longibrachiatum* (ATCC 2106) and endo-1,4-beta-xylanase produced by *Trichoderma longibrachiatum* (IMI SD 135) having a minimum activity of: endo-1,3(4)-beta-glucanase: 300 U [6]/g endo-1,4-beta-xylanase: 300 U [7]/g	Chickens for fattening	—	Endo-1,3(4)-beta-glucanase: 300 U Endo-1,4-beta-xylanase: 300 U	— —	1. In the directions for use of the additive and premixture, indicate the storage temperature, storage life and stability to pelleting. 2. Recommended dose per kg of complete feedingstuff: endo-1,3(4)-beta-glucanase: 300 U endo-1,4-beta-xylanase: 300 U. 3. For use in compound feed rich in non-starch polysaccharides, (mainly beta-glucans and arabinoxylans), e.g. containing more than 40 % barley.	Without a time-limit

EC No	Additive	Chemical formula, description	Species or category of animal	Maximum age	Minimum content	Maximum content	Other provisions	End of period of authorisation
					Units of activity/kg of complete feedingstuff			
E 1632	3-phytase EC 3.1.3.8	Preparation of 3-phytase produced by *Trichoderma reesei* (CBS 528.94) having a minimum activity of: Solid form: 5 000 PPU ([8])/g Liquid form: 5 000 PPU/g	Piglets (weaned)	—	250 PPU	—	1. In the directions for use of the additive and premixture, indicate the storage temperature, storage life, and stability to pelleting. 2. Recommended dose per kg of complete feedingstuff: 250-750 PPU 3. For use in compound feed containing more than 0,25 % phytin bound phosphorus. 4. For weaned piglets up to approximately 35 kg.	Without a time-limit
			Pigs for fattening	—	250 PPU	—	1. In the directions for use of the additive and premixture, indicate the storage temperature, storage life and stability to pelleting. 2. Recommended dose per kg of complete feedingstuff: 250-750 PPU 3. For use in compound feed containing more than 0,23 % phytin bound phosphorus.	Without a time-limit

([1]) 1 U is the amount of enzyme which liberates 5,55 micromoles of reducing sugars (maltose equivalents) from barley beta-glucan per minute at pH 5,0 and 50 °C.
([2]) 1 U is the amount of enzyme which liberates 4,00 micromoles of reducing sugars (maltose equivalents) from birchwood xylan per minute at pH 5,5 and 50 °C.
([3]) 1 IFP is the amount of enzyme which liberates 1 micromole of reducing sugars (xylose equivalents) from oat xylan per minute at pH 4,8 and 50 °C.
([4]) 1 U is the amount of enzyme which liberates 1 micromole of reducing sugars (xylose equivalents) from oat spelt xylan per minute at pH 5,3 and 50 °C.
([5]) 1 U is the amount of enzyme which liberates 1 microgram of phenolic compound (tyrosine equivalents) from a casein substrate per minute at pH 7,5 and 40 °C.
([6]) 1 U is the amount of enzyme which liberates 1 micromole of reducing sugars (glucose equivalents) from barley beta-glucan per minute at pH 5,0 and 30 °C.
([7]) 1 U is the amount of enzyme which liberates 1 micromole of reducing sugars (xylose equivalents) from oat spelt xylan per minute at pH 5,3 and 50 °C.
([8]) 1 PPU is the amount of enzyme which liberates 1 micromole of inorganic phosphate from sodium phytate per minute at pH 5 and 37 °C.

COMMISSION REGULATION (EC) No 944/2005

of 21 June 2005

suspending the application of certain provisions of Regulation (EC) No 331/2005

THE COMMISSION OF THE EUROPEAN COMMUNITIES,

Having regard to the Treaty establishing the European Community,

Having regard to Council Regulation (EC) No 1255/1999 of 17 May 1999 on the common organisation of the market in milk and milk products [1],

Having regard to Commission Regulation (EC) No 331/2005 of 25 February 2005 determining the aid referred to in Council Regulation (EC) No 1255/1999 for the private storage of butter and cream and derogating from Regulation (EC) No 2771/1999 [2], and in particular Article 1(3) thereof,

Whereas:

(1) The applications for private storage contracts, provided for in Article 1(1)(b) of Regulation (EC) No 331/2005, have reached 110 000 tonnes.

(2) Since this condition is met, the application of Article 1(1)(b) and (2) of that Regulation has to be suspended,

HAS ADOPTED THIS REGULATION:

Article 1

The application of Article 1(1)(b) and (2) of Regulation (EC) No 331/2005 is suspended as from 23 June 2005.

Article 2

This Regulation shall enter into force on the day of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels, 21 June 2005.

For the Commission
Mariann FISCHER BOEL
Member of the Commission

[1] OJ L 160, 26.6.1999, p. 48. Regulation as last amended by Commission Regulation (EC) No 186/2004 (OJ L 29, 3.2.2004, p. 6).
[2] OJ L 53, 26.2.2005, p. 15.

II

(Acts whose publication is not obligatory)

COMMISSION

COMMISSION DECISION

of 6 October 2004

declaring a concentration compatible with the common market and the EEA Agreement

(Case COMP/M.3431 — Sonoco/Ahlstrom)

(notified under document number C(2004) 3678)

(Only the English text is authentic)

(2005/452/EC)

On 7 January 2004 the Commission adopted a Decision in a merger case under Council Regulation (EEC) No 4064/89 of 21 December 1989 on the control of concentrations between undertakings [1]*, and in particular Article 8(2) of that Regulation. A non-confidential version of the full Decision can be found in the authentic language of the case and in the working languages of the Commission on the website of the Directorate-General for Competition, at the following address: http://europa.eu.int/comm/competition/index_en.html*

I. OVERVIEW

(1) The US-based company Sonoco and the Finnish undertaking Ahlstrom notified to the Commission their intention to create a joint venture to which they planned to contribute their respective European coreboard and cores businesses. Cores are tubes produced from coreboard. They are normally used as the base around which various products, such as paper, film and yarn are wound.

(2) The investigation identified serious concerns in the markets for high-end paper mill cores and low-value cores in some regions of northern Europe. The parties submitted remedies to address these concerns in the first phase. They proposed to divest the Sveberg plant in Norway, which produces both affected products.

(3) The remedy removes, almost completely, the increment in market shares caused by the merger. However, the market test conducted in the first phase revealed that market participants had concerns about the remedy particularly in regard to its bad geographic location and the viability of the divested business. Since this remedy did therefore not clearly remove the serious doubts at this stage, the Commission opened second phase proceedings on 5 July 2004.

(4) During the second phase the parties were able remove the concerns as to the location of the Sveberg plant by submitting convincing evidence on transportation costs. In addition, they offered a 'fix-it-first' solution so that the Commission could ensure that a suitable buyer is found before the parties could complete their deal. This measure ensured the viability of the business. This was confirmed by the second market test.

II. THE RELEVANT PRODUCT MARKETS

(5) Coreboard is a paper/board material used primarily for manufacturing paper cores. The key characteristic of coreboard is its ability to resist delamination, which is measured in Joules per square meter (J/m^2). There is only a limited degree of demand-side and supply-side substitutability. The high-grade (delamination resistance >375 J/m^2) producers can easily switch production to low-grade (delamination resistance <375 J/m^2), low-grade

[1] OJ L 395, 30.12.1989, p. 1. Regulation last amended by Regulation (EC) No 1310/97 (OJ L 180, 9.7.1997, p. 1).

producers need to make important investments to produce high-grade coreboard. In light of the above, high-grade and low-grade coreboard can be considered to constitute the relevant product markets for coreboard.

(6) Paper cores are tubes produced from coreboard by spiral or parallel winding processes, normally used as the base around which various products (e.g. paper, film, adhesive tape, fabric, and yarn) are wound. There are clear limitations to demand-side substitutability, although some cores may be suitable for several applications. The market investigation confirmed that especially for the production of high-value products, such as high-end paper mill cores (PMC) and yarn carriers, specific know-how and machinery are needed. Supply-side substitutability exists to a sufficient degree between the less sophisticated cores. However, the coating of cores requires some additional investments.

(7) As a result, three different product markets can be distinguished: one for high-end PMC, one for yarn carriers, and one for low-value cores leaving open whether coated film cores are included or constitute a separate product market, as this made no difference to the competitive assessment.

III. **THE RELEVANT GEOGRAPHIC MARKETS**

(8) Coreboard. Even though the market investigation indicated some focus of the suppliers on broad regions, the markets for coreboard nevertheless have an EEA-wide dimension. Producers of coreboard have between one and three plants in the EEA from which they supply coreboard across Europe.

(9) Cores. The parties proposed an EEA-wide geographic market for all cores. However, they also recognised that certain regions in the EEA have particularly intense trade flows of cores, which could possibly lead to regional relevant geographic markets. These regions are (i) Continental Europe [1]; (ii) the Scandinavian countries [2]; (iii) Finland and (iv) the United Kingdom and Ireland.

(10) High-end PMC. The parties sell [80-100 %] (*) of their total sales volume to customers who are at maximum 500 km away from the supplying plant. Within Continent of Europe numerous trade-flows are indicated, while only minor trade flows occur between this region, and Scandinavia, Finland or UK/Ireland.

(11) As a result of the market investigation four geographic markets were identified: (i) Continental Europe (leaving open the question whether a further separation in a Northern and a Southern part is appropriate as was suggested by some respondents), (ii) the Scandinavian countries (leaving open the question whether Denmark should be included or not), (iii) Finland and (iv) UK/Ireland. The division of the Continental market and the question as to whether Denmark should be included in the Scandinavian market can be left open, since the competitive assessment does not change.

(12) Yarn-carriers. In this case the question whether the market should to be defined according to the above mentioned regions or as EEA-wide can be left open since the final assessment does not change under either of both definitions.

(13) Low-value cores. The market investigation did not confirm the EEA-wide market definition proposed by the parties. Most customers who replied to the market investigation defined regional markets and even indicated that they purchase low-value cores on a national level.

(14) As with high-end PMC the Continental region shows comparably intense trade activities. Therefore, the following markets can be defined: (i) UK/Ireland, (ii) Finland, (iii) Continental Europe including Denmark, leaving open the question whether it should be split into a Northern one or several Southern parts, and (iv) Norway and Sweden leaving open the question whether they constitute national markets or a combined regional one. The definition may be left open as the competition assessment is not changed whichever market definition used.

IV. **AFFECTED MARKETS**

(15) The notified transaction gives risk to affected markets in the Scandinavian market for high-end PMC, the possible regional or EEA-wide markets for yarn carriers and the Norwegian market or a market consisting of Norway and Sweden for low-value cores.

[1] Continental Europe comprising: Germany, Austria, France, Benelux, Italy, Spain, Portugal and Greece.
[2] Denmark, Sweden and Norway.
(*) Parts of this text have been edited to ensure that confidential information is not disclosed; those parts are enclosed in square brackets and marked with an asterisk.

V. **ASSESSMENT**

(16) High-end PMC. In the Scandinavian market Ahlstrom is by far the leading supplier with a market share of [70-80 %] *, Sonoco ([0-10 %] *) however, is a relatively small supplier comparable to Corenso and Paul. As a result of the merger, one of the at present four existing supply possibilities for high-end PMC is eliminated in this region. Because of high quality requirements in this product market, new market entrants cannot be expected in the short-run. It was feared that with its increased strength Sonoco/Ahlstrom would be more indispensable for the larger customers and would therefore have power to squeeze smaller suppliers.

(17) Yarn carriers. The only region where major concerns might arise is Finland (Ahlstrom [60-70 %] *, Sonoco: [20-30 %] *). The Finnish market is limited by size to less than 0,5 % of the European market. The present and potential competitors have large overcapacities that would allow them to serve any new demand in Finland. The market investigation did not raise significant concerns in relation to this product.

(18) Low-value cores. The transaction gives rise to concerns on the market comprising Norway-Sweden (Ahlstrom: [40-50 %] *, Sonoco: [10-20 %] *) and on the possible national market of Norway (Ahlstrom: [30-40 %] *, Sonoco: [40-50 %] *). The gap between the smaller players and the larger ones is already significant and will increase significantly due to the merger. The market investigation identified concerns of rising prices in these markets due to the merger.

(19) The notified concentration raised serious doubts as to its compatibility with the Common Market with regard to the markets for high-end PMC in Scandinavia and for low-value cores in the possible national market of Norway and a market comprising Norway and Sweden.

VI. **COMMITMENTS OFFERED BY THE PARTIES**

(20) In the second phase, the parties again proposed the divestment of the Ahlstrom's core production facility located at Sveberg, Norway, to an up-front buyer [1]. The main issues which led the Commission to refuse the divestment of Sveberg the first time in the first phase related to its isolated geographic situation and the uncertainty with respect to its financial viability.

VII. **ASSESSMENT OF THE COMMITMENTS SUBMITTED**

(21) The parties provided credible evidence showing that the geographic location of the plant does not constitute a major impediment. Sveberg benefits from the phenomenon whereby, in Scandinavia, north-south freight rates are significantly lower than south-north rates. This is advantageous for Sveberg which is located in the North of Norway, since many actual and potential customers are located in the South. The divestment of Sveberg to a suitable and independent up-front buyer, to be approved by the Commission ensures that the Commission ensure the viability of the business. In the Phase I market test, a possible stand-alone solution for the divestment of Sveberg was clearly rejected. Many of the critical respondents, however, indicated that they would have the Sveberg providing divestment that an appropriate buyer could be found.

(22) The divestment of Sveberg would eliminate the increment in market shares for all markets for which concerns were raised except for the Norwegian/Swedish market for low-value cores. There, the increment would be reduced from [10-20 %] * to [0-10 %] *, leaving the merged entity with a market share of [40-50 %] *. Even if the increment would not be totally removed, the undertaking would allow a new player to enter the Norway-Sweden market. The reduction in the number of players in this market would thus be offset. Should one of the smaller competitors already active in the markets buy the Sveberg facility, the result would be a more balanced market structure, and would create adequate competitive restraints on Sonoco/Ahlstrom.

(23) On the basis of the commitments submitted by the Parties, the notified concentration does not raise serious doubts as to its compatibility with the common market and the EEA Agreement. The decision was adopted under Article 8(2) of Council Regulation (EEC) No 4064/89 and Article 57 of the Agreement on the European Economic Area.

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[1] A binding purchase agreement for the sale of Sveberg has to be concluded with a suitable buyer before the JV can be created.