

# DETERMINATION OF MERGER NOTIFICATION M/23/041 – NISSAN IRELAND LIMITED/RENAULT IRELAND LIMITED

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## Section 21 of the Competition Act 2002

Proposed acquisition by Nissan Ireland Limited, through its wholly owned subsidiary Cedar Ireland Automotive Limited, of the entire issued share capital of Renault Ireland Limited

Dated: 28 September 2023

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## Introduction

1. On 21 August 2023, in accordance with section 18(1)(a) of the Competition Act 2002, as amended (the “Act”), the Competition and Consumer Protection Commission (the “Commission”) received a notification of a proposed acquisition whereby Nissan Ireland Limited (“Nissan Ireland”), through its wholly owned subsidiary Cedar Ireland Automotive Limited (“Cedar”), would acquire sole control of Renault Ireland Limited (“Renault Ireland”) (the “Proposed Transaction”).<sup>1</sup>

## The Proposed Transaction

2. The Proposed Transaction is to be implemented pursuant to a share purchase agreement, dated 8 August 2023, between Renault S.A.S and Cedar (the “SPA”). Pursuant to the SPA, Nissan Ireland, through its wholly owned subsidiary Cedar, will acquire the entire issued share capital and therefore sole control of Renault Ireland.

## The Undertakings Involved

### *The Acquirer – Nissan Ireland*

3. Nissan Ireland is the wholesale distributor of *Nissan* vehicles in the State, supplying new *Nissan* passenger cars and Light Commercial Vehicles (“LCVs”) and associated aftersales services to dealerships across the State. Nissan Ireland distributes *Nissan* vehicles under a distribution

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<sup>1</sup> Nissan Ireland and Renault Ireland are collectively referred to as “the Parties” in this Determination.

agreement with Nissan Automotive Europe S.A.S., which is a subsidiary of Nissan Motor Co Limited (“Nissan”), which controls the Nissan Group internationally.

4. Nissan Ireland, through its subsidiary, the Windsor Motor Group (“Windsor Motors”), is active in the retail sale of passenger cars and LCVs. Windsor Motors currently operates 21 dealerships<sup>2</sup> at 12 sites across the State.<sup>3</sup> Nissan Ireland is also active in the supply of commercial leasing and fleet management services through Autolease Fleet Management Limited, trading as NiftiBusiness (“NiftiBusiness”), in which it has a 50% shareholding.<sup>4</sup>
5. For the financial year ending 31 December 2021, Nissan Ireland’s worldwide turnover was €324.6 million, all of which was generated in the State.

### **The Target – Renault Ireland**

6. Renault Ireland is a direct subsidiary of Renault S.A.S., which is the ultimate parent company of the Renault Group. Renault Ireland is the wholesale distributor of new *Renault* and *Dacia* passenger cars and LCVs, and provides associated aftersales services, in the State. Renault Ireland is not active in the retail sale of passenger cars and LCVs in the State.
7. For the financial year ending 31 December 2022, the worldwide turnover of Renault Ireland was approximately €223.5 million, all of which was generated in the State.

### **Rationale for the Proposed Transaction**

8. The Parties state the following in the notification:

*“At a global level, Nissan has substantial cross shareholdings in and operates as the Renault-Nissan-Mitsubishi Alliance, which consists of three companies, the Renault Group, Nissan Motor Co Limited and Mitsubishi Motors. The companies share manufacturing platforms and technologies. ... With common platforms and many common parts, it makes commercial sense that one entity represents both of the*

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<sup>2</sup> Windsor Motors treats each set of *Renault* and *Dacia* dealerships at its Ballybrit, Charlestown, Bray and Swords outlets as one dealership thereby resulting in a total of twenty one dealerships.

<sup>3</sup> Windsor Motors sells a range of different brands of passenger cars and LCVs, including *Nissan*, *Renault*, *Dacia*, *Peugeot*, *Opel*, *Mazda* and *Citroën*. In the motor vehicle sector, the sale of a specific brand of car is referred to as a dealership. Therefore, if an outlet sells multiple brands, several dealerships are said to be operating from the same outlet.

<sup>4</sup> AIB hold the remaining 50% shareholding in NiftiBusiness. The creation of the NiftiBusiness joint venture was cleared by the Commission in its determination in case M/22/005 – *AIB/Autolease Fleet Management*, accessible at: <https://www.ccpc.ie/business/mergers-acquisitions/merger-notifications/m-22-005-aib-autolease-fleet-management/>

*Nissan and Renault franchises in Ireland (Mitsubishi does not operate in Ireland). The convergence of single representation in smaller European markets such as Ireland is also a stated objective of Renault and Nissan.”*

## Market Enquiries

9. During its review of the Proposed Transaction, the Commission contacted a number of third parties, including customers of the Parties. These views have been assessed by the Commission as part of its review of the competitive impact of the Proposed Transaction.

## Third Party Submissions

10. The Commission received one third-party submission from a customer of the Parties in relation to the Proposed Transaction. This submission was fully considered by the Commission insofar as it related to potential competition concerns arising from the Proposed Transaction.

## Competitive Analysis

### Horizontal and vertical overlaps

11. There is a horizontal overlap between the Parties as both are active in the wholesale distribution of new passenger cars and LCVs in the State.
12. There is also a vertical relationship between the Parties, as Renault Ireland supplies new *Renault* and *Dacia* passenger cars and LCVs to Windsor Motors, a subsidiary of Nissan Ireland.

## Market Definition

### Relevant Product Market

13. The Commission has considered several mergers in the motor sector. The Commission specifically considered the wholesale distribution of passenger cars and LCVs in its determination in M/19/021 – *Gowan Group/Opel Ireland*.<sup>5</sup> In that determination, the Commission distinguished between: (i) the wholesale distribution of new passenger cars and LCVs in the State; and (ii) the wholesale distribution of pre-owned passenger cars and LCVs in the State. With regard to the Proposed Transaction, the only area of horizontal overlap between the Parties is in the wholesale distribution of new passenger cars and LCVs.

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<sup>5</sup> M/19/021 – *Gowan Group/Opel Ireland*, accessible at: <https://www.ccpc.ie/business/wp-content/uploads/sites/3/2019/07/Public-Determination-M-19-021.pdf>

Therefore, it is not necessary for the Commission to consider the wholesale supply of pre-owned passenger cars and LCVs in this determination.

14. In its determination in M/19/021 – *Gowan Group/Opel Ireland*, the Commission did not define precise product markets since doing so would not have altered the Commission’s assessment of the likely competitive effects of that transaction. In that case, the Commission assessed that transaction by reference to the wholesale distribution of new passenger cars and light commercial vehicles in the State.
15. In considering the relevant product market for the purposes of its assessment of the likely competitive effects of the Proposed Transaction, the Commission has considered the decisions of the European Commission in the following cases:
  - M.3388 - *Ford Motor Company Ltd/Polar Motor Group LTD*;<sup>6</sup>
  - M.6403 - *Volkswagen/KPI Polska/Skoda Auto Polska/Vw Bank Polska/Vw Leasing Polska*;<sup>7</sup>
  - M.9839 - *VGRD/Auto Wichert Assets*;<sup>8</sup>
  - M.9389 - *Porsche Holding Salzburg/SIVA/Soauto*;<sup>9</sup> and,
  - M.182 - *Inchape/IEP*.<sup>10</sup>
16. All of these cases suggest that the wholesale distribution of passenger cars and the wholesale distribution of LCVs are likely separate product markets. In the course of its review of the

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<sup>6</sup> See paragraph 7 of the European Commission’s decision which states: “... in line with previous [European] Commission decisions, the product markets relevant for this case are the market for the manufacturing and supply, for wholesale and for retail distribution of new vehicles, which can be subdivided into (a) passenger cars and (b) light commercial vehicles” Available at: [https://ec.europa.eu/competition/mergers/cases/decisions/m3388\\_en.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m3388_en.pdf)

<sup>7</sup> See paragraph 22 of the European Commission’s decision which states: “... The [European] Commission has further distinguished between the wholesale and retail distribution of new passenger cars on the one hand and of new LCVs on the other hand.” Available at: [https://ec.europa.eu/competition/mergers/cases/decisions/m6403\\_20111219\\_20310\\_2191466\\_.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m6403_20111219_20310_2191466_.pdf)

<sup>8</sup> See paragraph 11 of the European Commission’s decision which states: “... The [European] Commission has concluded that the wholesale distribution of [passenger cars] and the wholesale distribution of LCVs are separate markets ...” Available at: [https://ec.europa.eu/competition/mergers/cases/decisions/m9839\\_142\\_3.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m9839_142_3.pdf)

<sup>9</sup> See paragraph 11 of the European Commission’s decision which states: “...Furthermore, the [European] Commission has concluded that the wholesale distribution of passenger cars and the wholesale distribution of LCVs are considered separate relevant product markets. Available at: [https://ec.europa.eu/competition/mergers/cases/decisions/m9389\\_106\\_3.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m9389_106_3.pdf)

<sup>10</sup> See paragraph 9 of the European Commission’s decision which states: “The distinction between the distribution of passenger cars and commercial vehicles is sufficient for the purposes of this decision”. Available at: [https://ec.europa.eu/competition/mergers/cases/decisions/m182\\_en.pdf](https://ec.europa.eu/competition/mergers/cases/decisions/m182_en.pdf)

Proposed Transaction, the Commission has seen no evidence which would suggest that the findings of the European Commission are not relevant to the Commission's review of the Proposed Transaction.

17. It is not necessary for the Commission to conclude definitively in respect of the relevant product market definition since the Commission considers that its conclusions in respect of the competitive effects of the Proposed Transaction would be unchanged whether the Proposed Transaction is assessed by reference to a single potential product market encompassing both passenger cars and LCVs, or by reference to two separate potential product markets for each of passenger cars and LCVs.
18. Therefore, in line with the decisional practice of the European Commission, in this instance the Commission has assessed the Proposed Transaction by reference to narrower potential product markets of the wholesale supply of each of: (i) passenger cars, and (ii) LCVs.<sup>11</sup>

#### **Relevant Geographic Market**

19. In respect of the geographic dimension of the potential relevant markets, the Commission has seen no reason during the course of its review of the Proposed Transaction to depart from the approach taken by it in M/19/021 – *Gowan Group/Opel Ireland*. In that case, although the Commission did not come to a definitive view on the relevant geographic market, the competitive effects of the Proposed Transaction were assessed by reference to the State. The Commission further notes that the European Commission, in its decisions referred to in paragraph 15 above, did not define precise geographic markets and considered the potential product markets for the wholesale distribution of each of passenger cars and LCVs to be at least national in scope. The Commission sees no reason to depart from this approach with respect to the Proposed Transaction.

#### **Conclusion on market definition**

20. The Commission defines markets to the extent necessary depending on the particular circumstances of a given case. In this instance, it is not necessary for the Commission to definitively conclude on the boundaries of the relevant product and geographic markets. The

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<sup>11</sup> In this instance, for the avoidance of doubt, the Commission does not consider it appropriate or necessary to assess whether a further distinction should be drawn within these potential product market on the basis of vehicle brand. The Commission has concluded that the Proposed Transaction does not raise any competition concerns in respect of potential product markets undifferentiated by brand and notes, for completeness, that were such a distinction to be drawn, there would be no horizontal overlap between the activities of the Parties.

Commission has assessed the competitive impact of the Proposed Transaction by reference to:

- the wholesale distribution of new passenger cars in the State; and,
- the wholesale distribution of new LCVs in the State.

## Competitive Assessment

### Horizontal effects

#### Wholesale distribution of new passenger cars in the State

21. The Parties provided the following market share estimates for the wholesale distribution of new passenger cars in the State in 2020, 2021 and 2022 classified by distributor.<sup>12</sup>

Table 1: Wholesale Distributors of New Passenger Cars in the State, 2020-2022

Distributors <sup>13</sup>	Brands distributed	Share in 2020 (%)	Share 2021 (%)	Share 2022 (%)
<b>Nissan Ireland</b>	<i>Nissan</i>	[5-10]	[0-5]	[0-5]
<b>Renault Group</b>	<i>Renault</i> <i>Dacia</i>	[5-10]	[5-10]	[5-10]
<b>Combined share of the Parties</b>		[10-15]	[10-15]	[10-15]
<b>Volkswagen Group<sup>14</sup></b>	<i>Volkswagen</i> <i>Audi</i> <i>Cupra</i> <i>Seat</i> <i>Skoda</i>	[25-30]	[25-30]	[20-25]
<b>Toyota Group<sup>15</sup></b>	<i>Toyota</i> <i>Lexus</i>	[10-15]	[10-15]	[15-20]

<sup>12</sup> These estimates are based on data provided by the Society of the Irish Motor Industry (“SIMI”) on new passenger car registrations by vehicle brand as well as information provided by Nissan Ireland. Shares have been calculated on the basis of number of units.

<sup>13</sup> In the motor vehicle sector, the importer of a specific brand of car, directly from the manufacturer, for wholesale to car dealerships is referred to as a distributor.

<sup>14</sup> Volkswagen AG.

<sup>15</sup> Toyota Motor Corporation.

<b>Hyundai<sup>16</sup></b>	<i>Hyundai</i>	[5-10]	[10-15]	[10-15]
<b>Gowan Group<sup>17</sup></b>	<i>Alfa Romeo Citroen Chrysler DS Fiat Honda Jeep Opel Peugeot</i>	[5-10]	[5-10]	[5-10]
<b>Kia<sup>18</sup></b>	<i>Kia</i>	[5-10]	[5-10]	[5-10]
<b>Ford<sup>19</sup></b>	<i>Ford</i>	[5-10]	[5-10]	[0-5]
<b>BMW<sup>20</sup></b>	<i>BMW Mini</i>	[0-5]	[0-5]	[0-5]
<b>MDL<sup>21</sup></b>	<i>Mercedes Benz</i>	[0-5]	[0-5]	[0-5]
<b>Others</b>	<i>Jaguar Land Rover Porsche MG Mitsubishi Volvo Polestar Subaru Ora Suzuki Tesla Ssangyong Mazda</i>	[5-10]	[5-10]	[5-10]

<sup>16</sup> Hyundai Motor Company.

<sup>17</sup> Gowan Group Limited.

<sup>18</sup> Kia Corporation.

<sup>19</sup> Ford Motor Company.

<sup>20</sup> Bayerische Motoren Werke GmbH.

<sup>21</sup> Motor Distributors Limited.

<b>Total</b>	100	100	100
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Source: The Parties, based on SIMI data

22. The Commission considers that the Proposed Transaction raises no horizontal competition concerns in relation to the wholesale distribution of new passenger cars in the State for the following reasons.
  
23. First, as set out in Table 1, the Parties’ combined share of the wholesale distribution of new passenger cars in the State is low and the Proposed Transaction would result in a small increment in Nissan Ireland’s share. As shown above, Nissan Ireland held an estimated share of approximately [0-5]% in the wholesale distribution of new passenger cars in the State in 2022, with Renault Group holding an estimated share of approximately [5-10]%. Following the Proposed Transaction, Nissan Ireland would hold an estimated share of approximately [10-15]% in the wholesale distribution of new passenger cars in the State. The Commission also notes that the Parties’ combined share has not exceeded [10-15]% in the last three years, and that the shares of competitors are broadly stable over time.
  
24. Second, the Commission considers it clear that there will be a sufficient number of competitors which will continue to exert a competitive constraint on Nissan Ireland following the implementation of the Proposed Transaction. These competitors include a number of distributors with a larger share than the Parties in the wholesale distribution of new passenger cars, such as the Volkswagen Group (estimated share of approximately [20-25]%), the Toyota Group (estimated share of approximately [15-20]%) and Hyundai (estimated share of approximately [10-15]%).
  
25. Finally, the Commission engaged with several dealerships that are customers of the Parties during the course of its investigation into the Proposed Transaction. None of the dealerships that the Commission engaged with expressed concerns regarding the Proposed Transaction.
  
26. In light of the above, the Commission considers that the Proposed Transaction will not result in a substantial lessening of competition in respect of the wholesale distribution of new passenger cars in the State.



*Wholesale distribution of new LCVs in the State*

27. The Parties provided the following market share estimates for the wholesale distribution of new LCVs in the State in 2020, 2021 and 2022 classified by distributor.<sup>22</sup>

*Table 2: Wholesale Distributors of New LCVs in the State, 2020-2022*

Distributor	Brands distributed	2020 (%)	2021 (%)	2022 (%)
<b>Nissan Ireland</b>	<i>Nissan</i>	[0-5]	[0-5]	[0-5]
<b>Renault Group</b>	<i>Renault</i> <i>Dacia</i>	[10-15]	[10-15]	[5-10]
<b>Combined share of the Parties</b>		[15-20]	[15-20]	[10-15]
<b>Gowan Group</b>	<i>Alfa Romeo</i> <i>Citroen</i> <i>Fiat</i> <i>Opel</i> <i>Peugeot</i>	[20-25]	[20-25]	[25-30]
<b>Ford</b>	<i>Ford</i>	[20-25]	[20-25]	[20-25]
<b>Volkswagen Group</b>	<i>Volkswagen</i> <i>Audi</i> <i>Fuso</i>	[15-20]	[10-15]	[10-15]
<b>Toyota Group</b>	<i>Toyota</i>	[5-10]	[5-10]	[10-15]
<b>MDL</b>	<i>Mercedes-Benz</i>	[5-10]	[5-10]	[0-5]
<b>Harris Group<sup>23</sup></b>	<i>Isuzu</i> <i>LDV</i> <i>Maxus</i>	[0-5]	[0-5]	[0-5]
<b>Others</b>	<i>Iveco</i> <i>Landrover</i> <i>Man</i>	[5-10]	[5-10]	[5-10]

<sup>22</sup> These estimates are based on data provided by the SIMI on new LCV registrations by vehicle brand and information provided by Nissan Ireland.

<sup>23</sup> Harris Motor Group Unlimited Company.

	<i>Mitsubishi</i>			
	<i>Hyundai</i>			
	<i>Kia</i>			
	<i>Ssangyong</i>			
	<i>Subaru</i>			
<b>Total</b>		100	100	100

Source: The Parties and SIMI data

28. The Commission considers that the Proposed Transaction raises no horizontal competition concerns in relation to the wholesale distribution of LCVs in the State for the following reasons.
29. First, as set out in Table 2 the Parties' combined share of the wholesale distribution of new LCVs in the State is low and the Proposed Transaction would result in a small increment in Nissan Ireland's share. As shown above, Nissan Ireland held an estimated share of approximately [0-5]% in the wholesale distribution of LCVs in the State in 2022, with Renault Group holding a share of approximately [5-10]%. Following the implementation of the Proposed Transaction, Nissan Ireland would hold an estimated share of approximately [10-15]% in the wholesale distribution of new LCVs in the State.
30. Second, the Commission considers it clear that that there will be a sufficient number of competitors which will continue to exert a competitive constraint on Nissan Ireland following the implementation of the Proposed Transaction. These competitors include a number of distributors with a larger share of the wholesale distribution of new LCVs such as the Gowan Group (estimated share of approximately [25-30]%), Ford (estimated share of approximately [20-25]%) and Volkswagen Group (estimated share of approximately [10-15]%).
31. Finally, the Commission engaged with several dealerships that are customers of the Parties during the course of its investigation into the Proposed Transaction. None of the dealerships that the Commission engaged with expressed concerns regarding the Proposed Transaction.
32. In light of the above, the Commission considers that the Proposed Transaction will not result in a substantial lessening of competition in respect of the wholesale distribution of new LCVs in the State.

### *Conclusion on horizontal effects*

33. In light of its analysis above, the Commission considers that the Proposed Transaction does not give rise to any horizontal competition concerns in the State.

### **Vertical Relationship**

34. There is a vertical relationship between the Parties as Renault Ireland currently supplies new *Renault* and *Dacia* passenger cars and new *Renault* LCVs to four dealerships owned by Windsor Motors, a subsidiary of Nissan Ireland. Consequently, there is a vertical overlap between the activities of the Parties, as Renault Ireland is active in the upstream wholesale distribution of new passenger cars and LCVs in the State while Nissan Ireland, through Windsor Motors, is active in the downstream retail sale of new passenger cars and LCVs in the State.
35. The Commission considers that the Proposed Transaction does not give rise to vertical competition concerns for the following reasons:

- **Input foreclosure:** Nissan Ireland would hold a share of approximately [10-15]% in the wholesale distribution of new passenger cars and approximately [10-15]% in the wholesale distribution of new LCVs in the State following the Proposed Transaction. Retail dealerships will continue to be able to source new passenger cars and LCVs from a number of wholesale distributors following the Proposed Transaction, as listed in Tables 1 and 2 above.

With respect to *Renault* and *Dacia* passenger cars and LCVs, Renault Ireland currently supplies four Windsor Motors dealerships in the State, which are located in Co. Dublin, Co. Wicklow and Co. Galway. The Commission has set out above that it considers the Proposed Transaction raises no competition concerns with respect to the wholesale distribution of new passenger cars and the wholesale distribution of new LCVs in the State. Consequently, Nissan Ireland will have no foreclosure ability with respect to the wholesale distribution of passenger cars and LCVs in the State following the Proposed Transaction. Therefore, the Commission considers that the Proposed Transaction is unlikely to give rise to input foreclosure.

- **Customer foreclosure:** Nissan Ireland, through Windsor Motors, is active in the retail sale of passenger cars and LCVs and operates 21 dealerships out of 12 outlets across the State. There are 31 other Renault dealerships and 31 Dacia dealerships active in

the State, many of which are in areas where Windsor Motors does not operate a Renault or Dacia dealership. Furthermore, Nissan Ireland is not acquiring any dealerships as result of the Proposed Transaction. Therefore, following the implementation of the Proposed Transaction, wholesale distributors will continue to be able to supply the vast majority of dealerships in the State.

36. In light of its analysis above, the Commission considers that the Proposed Transaction does not give rise to any vertical competition concerns in the State.

#### **Conclusion on competitive analysis**

37. In light of the above, the Commission considers that the Proposed Transaction will not substantially lessen competition in any market for goods or services in the State.

#### **Ancillary Restraints**

38. No ancillary restraints were notified.



## **Determination**

The Competition and Consumer Protection Commission, in accordance with section 21(2)(a) of the Competition Act 2002, as amended, has determined that, in its opinion, the result of the proposed acquisition whereby Nissan Ireland Limited, through its wholly owned subsidiary Cedar Automotive Limited, would acquire sole control of Renault Ireland Limited, will not be to substantially lessen competition in any market for goods or services in the State, and, accordingly, that the acquisition may be put into effect.

For the Competition and Consumer Protection Commission.

**Úna Butler**

Member

Competition and Consumer Protection Commission