



GAZDASÁGI
VERSENYHIVATAL

Merger in the Hungarian Sugar Industry

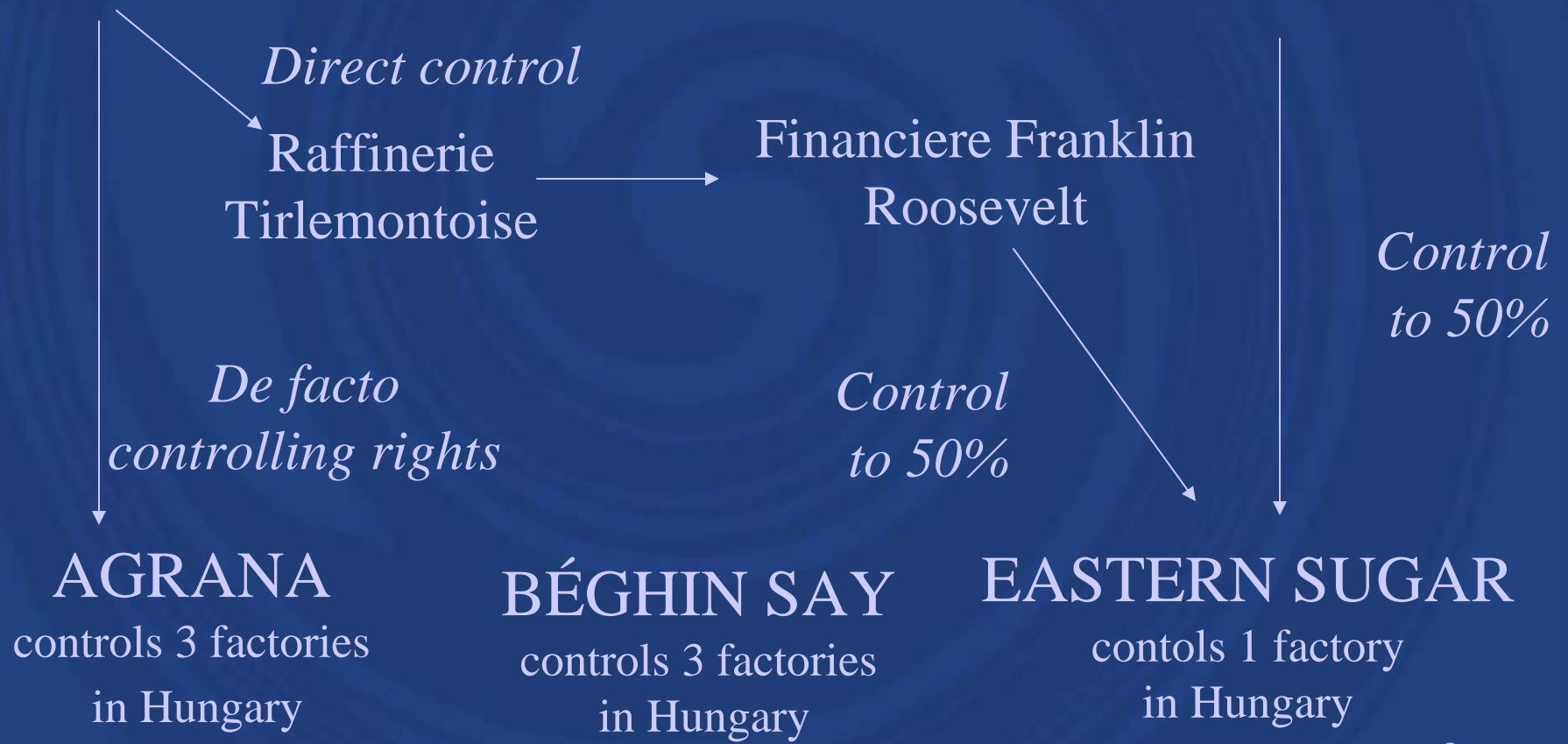
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The participants

Südzucker

Tate & Lyle



The need for a remedy in Südzucker

- The benefits identified by the parties were very limited on the Hungarian markets
- Other jurisdictions examined the case as well (EU, Slovakia): the merger was expected to be cleared by the Commission → Legal consequences unclear.
- The parties were willing to make commitments in order to proceed with their transaction.

Altering the remedy

- A new condition was imposed:
- 1. The Südzucker group shall cease to have joint control over Eastern Sugar.
- 2. If any company belonging to the Südzucker group acquires sole control over Eastern Sugar, it shall transfer its controlling rights to an independent company within (...) days.

Outcome

- The Südzucker group has sold 1 share to an independent company.
Shareholders of Eastern Sugar now include:
 - Südczucker group: 50%-1 share
 - Tate & Lyle: 50%
 - Zuckerfabrik Jülich AG: 1 share



Lessons to be learned I.

The remedy may not work (due to changes in the market, etc.), so:

It is always wise to keep the flexibility:
leave room for altering the remedy.



Lessons to be learned II.

The remedies (decisions) of competing jurisdictions might have a negative effect on each other:

Try to avoid colliding decisions by increased international cooperation in the field of decision-making.



Lessons to be learned III.

The enforcement of a decision on a transaction by large multinational completed in a foreign jurisdiction may be questionable.

Make sure international cooperation allows the enforcement of the decision.