

Anticipated merger of Cargotec Corporation (Cargotec) and Konecranes Plc (Konecranes)

Notice of cancellation of merger reference

1. On 31 March 2022, the Competition and Markets Authority (CMA) cancelled the reference concerning the proposed merger of Cargotec and Konecranes (the Merger).
2. On 13 July 2021, a reference was made by the CMA to its Chair for the constitution of a Group of CMA Panel Members under section 33 of the Enterprise Act 2002 (the Act) in respect of arrangements in progress or in contemplation which:
 - (a) if carried into effect, would have resulted in Cargotec ceasing to be distinct from Konecranes; and
 - (b) may be expected to result in a substantial lessening of competition within a market or markets in the United Kingdom for goods or services, including in the supply of reach stackers, straddle carriers and rubber-tyred gantry cranes.
3. Further to the terms of reference, and in accordance with section 36(1) of the Act, the Inquiry Group was required to decide:
 - (a) whether arrangements were in progress or in contemplation which, if carried into effect, would have resulted in the creation of a relevant merger situation; and
 - (b) if so, whether the creation of that situation may have been expected to result in a substantial lessening of competition within any market or markets in the UK for goods or services.
4. On 31 March 2022, the CMA published its Final Report in relation to the Merger. The CMA found that the Merger is likely to result in a relevant merger situation and may be expected to result in a substantial lessening of competition, as a result of horizontal unilateral effects in the supply of each of the following categories of equipment in Europe, including the UK (Europe):
 - (a) rubber-tyred gantry cranes;

- (b) automated stacking cranes;
 - (c) shuttle carriers and straddle carriers;
 - (d) empty container handlers;
 - (e) heavy duty forklift trucks;
 - (f) reach stackers; and
 - (g) automated terminal tractors.
5. The CMA has received written assurances from Cargotec and Konecranes that the Merger has been abandoned.
 6. The CMA, having had regard to those assurances, is satisfied that Cargotec and Konecranes have, within the terms of section 37(1) of the Act, abandoned the proposal to make arrangements of the kind mentioned in the reference.
 7. The Inquiry Group has consequently cancelled the reference in accordance with its powers under section 37(1) of the Act.

Martin Coleman

Inquiry Group Chair
31 March 2022