Revisiting the General Electric/Honeywell Case Applying the European Commission's More Economic Approach

By Philipp Schumacher

Shaker Verlag Sep 2010, 2010. Buch. Book Condition: Neu. Neuware - The GE/Honeywell case, one of the most controversial merger cases in the history of European merger control, was subject to a long and heated transatlantic debate on the vertical and conglomerate aspects of the European Commission's 2001 prohibition decision. This is the first study to focus on the horizontal overlaps in the specific markets for aircraft and marine engines which were, ultimately, the only reason given by the Court of First Instance for upholding the decision. Applying the new EC Merger Regulation of 2004 and its Horizontal and Non-horizontal Merger Guidelines, this study represents an overall competitive appraisal that goes beyond the definition of the relevant market and the calculation of structural indicators such as market shares. The competitive closeness, firstly, of the parties' aircraft engines and, secondly, of aircraft powered by these engines is assessed by analysing bidding data and technical characteristics. The engine markets affected are worldwide bidding markets characterised by volatile market shares, the high importance of after-sales revenue and profitable outside options. The evidence is based on publicly available data, information from aerospace professionals and the author's own industry knowledge. The study evaluates data and...

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