UOKIK TO TAKE OVER THE CONTROL OF ORLEN - PGNIG CONCENTRATION FROM THE EUROPEAN COMMISSION

* **UOKiK shall investigate the concentration of energy sector groups - Orlen and PGNiG.**
* **In the opinion of the European Commission, the Office has relevant experience in assessing the characteristics of the energy sector markets, which has been confirmed by the decisions issued to date in this sector of the economy.**

**[Warsaw, 26th March 2021]** The European Commission and the national competition authorities have jurisdiction to review the market effects of mergers and acquisitions. The basic prerequisite determining whether a request is considered by the European Commission is the *Community dimension* of the concentration in question. The EC analyses transactions where the combined aggregate worldwide turnover of all the undertakings concerned is more than EUR 5 billion and the aggregate Community-wide turnover of each of at least two of the undertakings concerned is more than EUR 250 million. In turn, the President of UOKiK is, as a rule, competent with respect to concentrations which produce or may produce effects within the territory of the Republic of Poland and which do not have a Community dimension.

Participants in a transaction which has a Community dimension may request the EC to review its effects by a Member State if it is likely to have a significant impact on competition in that country. In such a case, the Commission may refer the matter to the national competition authority if it agrees to an impact assessment of the transaction in question.

This is the case as regards a concentration submitted by the European Commission to the Polish competition authority involving the acquisition by the Orlen Group of companies belonging to the PGNiG Group.

- *Given that the planned effects of the transaction in question will affect Poland, the case was referred to UOKiK. This is undoubtedly an expression of great trust in the competences and experience of the Polish competition authority. Moreover, the main counterparties and competitors of the concentration participants are seated in Poland, so the Office will be able to conduct a relatively easy market survey which will allow to gather the evidence necessary for a thorough assessment of the case* – President of UOKiK Tomasz Chróstny explains.

Orlen leads the capital group operating in the oil and petrochemical industry. It deals with extraction and manufacturing of natural gas and crude oil, as well as trade in asphalts and fuels, including aviation ones.

PGNiG is a public company engaged in the business of exploration for and production of natural gas and crude oil, as well as import, distribution, storage and supply of natural gas, supply of heat, generation of electricity and heat.

The transaction consists in taking over by PKN Orlen of direct control of PGNiG. The antitrust proceedings in this case will be initiated by the President of the Office after the formal submission of the application to the Office. This is the first time in 2021 that an undertaking has requested the Polish competition authority to take over a transaction.

According to the law, the transaction is subject to notification to the President of UOKiK if it involves undertakings whose combined aggregate turnover in the preceding year exceeded EUR 1 billion worldwide or EUR 50 million in Poland. When assessing the concentration, the President of the Office may grant consent to the concentration, make it subject to additional conditions or prohibit the transaction. [The website of UOKiK](https://www.uokik.gov.pl/koncentracje.php) publishes information on all concentration-related anti-trust proceedings conducted by the President of the Office.