

EU approves Opel takeover by France's Peugeot PSA

BRUSSELS, Belgium: The EU's competition authority has approved the blockbuster takeover of Germany's Opel by France's Peugeot PSA that will create Europe's second-largest carmaker after Volkswagen.



PSA, which also owns Citroen and DS Automobiles, agreed in early March to pay some €1.3 billion (\$1.46 billion) for Opel, a storied German firm owned by US auto giant General Motors for decades, as well its British subsidiary Vauxhall.

"The European Commission has unconditionally approved the acquisition of Opel by Peugeot, under the EU Merger Regulation," the Commission, the EU's executive arm, said in a statement.

"The Commission concluded that the transaction would raise no competition concerns in the relevant markets," it said.

No profit booked since 1999

Despite remaining a familiar sight on German roads, the carmaker with the lightning logo and its British sibling Vauxhall have not booked a profit since 1999.

Based in Ruesselsheim outside Frankfurt, the company was Germany's largest carmaker for decades before losing the crown to Volkswagen.

The EU said the combined market shares of the two companies were relatively small in all the bloc's national markets, only exceeding 40 percent in Estonia and Portugal.

Opel and Vauxhall employ some 35,600 workers between them at 10 factories across Europe, around half of them at three plants in Germany.

Source: AFP

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