

Suez and Gas de France merger cleared

European competition regulators have approved the €41 billion merger of French energy groups Suez and Gas de France after both agreed to sell Belgian interests to avoid having a monopoly in Belgium's gas and electricity market. EU Competition Commissioner Neelie Kroes says the European Commission insisted the sell-off occur, saying it was in the interest of effective competition in both Belgium and also in France. The combined company will be Europe's biggest energy company with a market capitalisation of US\$95 billion. For the merger to go ahead, Suez will have to sell Belgian gas distributor DISTRIGAZ, GDF will exit its stake in electricity supplier SPE – the only major rival to Suez' Belgian electricity unit Electrabel SA – while Suez will also relinquish control of Belgian network operator Fluxys. In addition, GDF must sell off French district heating unit Cofathec Coriance. "The Commission ... concluded that the final package would be sufficient to remove all competition concerns in a clear-cut manner," she said.

[Source: ESAA]