

## Competition & Antitrust - Turkey

### Competition Authority publishes status report on mergers and acquisitions

Contributed by **ELIG Attorneys at Law**

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On August 29 2014 the Competition Authority published a status report on mergers and acquisitions. The report aims to provide an insight into transactions filed before the authority in the first half of 2014. When compared to the report published in 2013, it is clear that there has been a remarkable decrease in the transactional value of the merger filings notified to the authority.

In the report, as a principle, the origin of the target company or joint venture is determined by considering the jurisdiction in which the relevant company is incorporated. The report analyses mergers and acquisitions in two categories. In the first category, the analysis is made regardless of the jurisdiction in which the target or joint venture is incorporated, while the second category considers Turkey-specific transactions – that is, transactions where the target is established under Turkish law. The report indicates that transactions that were notified but in fact did not exceed the applicable turnover thresholds are also included in the assessment.

In the first half of 2014, the number of M&A transactions that were notified to the authority totalled 100 – down from 134 in 2013. Therefore, there has been a decrease of 25.3% in the number of notified transactions. Further, in 59 of the 100 transactions the target companies or joint ventures were companies which were incorporated under Turkish law; the aggregate value of these transactions was approximately TRY14 million (approximately €4.8 million). In the period covered, the authority also reviewed nine privatisation transactions.

Foreign investors invested in Turkish companies through 29 different transactions, compared to 40 in 2013. Luxembourg and the Netherlands were the most common sources of these investments, with four transactions each followed by Germany, with three transactions. In relation to those acquisitions where Turkish companies were acquired, the report indicates that foreign investors made a total investment of TRY6.5 billion (approximately €2.3 billion), compared with investments valued at TRY11 billion in the first half of 2013. The total value of the transactions in which foreign investors were parties to three Turkey-based joint ventures was TRY48 million (approximately €16.7 million). In contrast, in 2013 this number stood at TRY1.5 billion (approximately €523 million) for the same period.

In terms of economic areas of activity, most of the transactions arose in the field of electricity generation, transmission and distribution. Of those deals involving Turkish target companies or joint ventures, the highest transaction value realised was TRY3.295 billion (approximately €1.2 billion), arising in the real estate lease and management sector. The total value of transactions in this sector corresponds to 23% of the aggregate value of all Turkish-specific transactions.

In the first half of 2014, the aggregate privatisation value was approximately TRY5.2 billion (approximately €2.3 billion). Most of these transactions occurred in the field of electricity generation, transmission and distribution of electric power.

The transactions which were notified to the authority in the first half of 2014 were concluded within 18 days of final submissions.

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