
The Turkish Competition Authority’s M&A Overview Report for 2020 Has Been Published

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The Turkish Competition Authority’s (“TCA”) Mergers and Acquisitions Overview Report for 2020 (“Report”) has been published at the TCA’s official website on March 5, 2021. The Report provides an overview of the TCA’s activities in terms of merger control in 2020 and includes statistical information on the merger control filings by also making a comparison between 2020 and previous years. The Report mainly aims to provide a brief summary of the developments in 2020 with regards to M&A transactions.

First and foremost, according to the Report, the average review period of the TCA within which the notified transaction concluded was approximately 18 days following the date of final notification, which was increased compared to the average review period of 14 days in 2019.

Additionally, in 2020, the TCA has reviewed 220 transactions in total and the total value of the notified transactions was approximately TL 2.7 trillion (approximately EUR 336 billion and USD 385 billion ¹). Although there is a slight increase (6%) in the reviewed transactions compared to 2019 where 208 transactions were reviewed, the number of the reviewed transactions in 2020 is still above the average number of transactions reviewed in the last eight years, i.e., 2013-2020, which is 204.

Among the notified transactions in 2020, 11 of them was classified as out-of-scope as they were determined not to result in a change of control and 2 out of 220 notified transactions were categorized within the information note / others category. Besides, no privatizations have been concluded by the TCA in 2020.

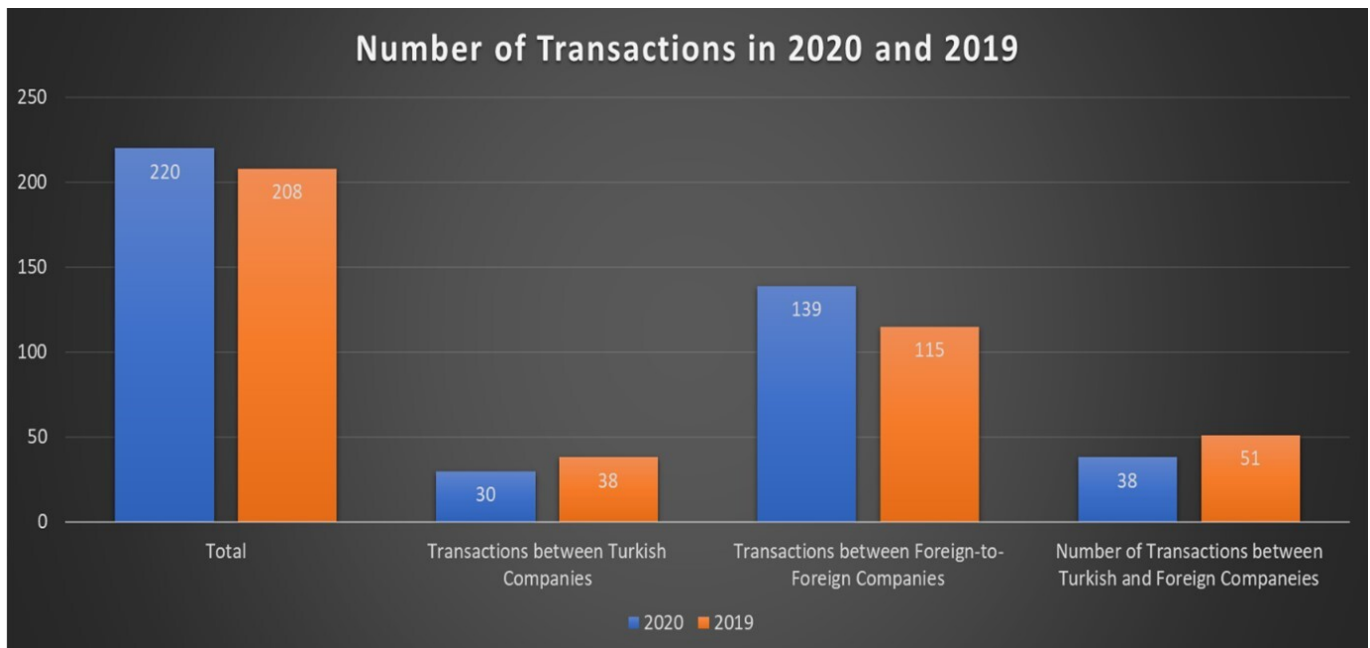
Further to the TCA’s categorization of the transactions based on the origin of the transaction parties, the Report discloses that 30 of 220 transactions in 2020 were solely between the Turkish companies. This reveals a decrease in the number of those transactions compared to 2019, which was reported as 38. However, in terms of their value, the Report shows that there is a slight increase in the value of the transactions involving solely Turkish parties in 2020 (i.e. TL 6,632 million (approximately EUR 826 million and USD 946 million)) compared to the figure in 2019 (i.e. TL 6,246 million

(approximately EUR 984 million and USD 1.1 billion).

On the other hand, the number of foreign-to-foreign transactions increased from 115 (in 2019) to 139 in 2020. However, there is no significant increase in the total value of those transactions, as the value of them was reported as TL 2,669 billion (approximately EUR 332 billion and USD 381 billion) for 2020, while it was TL 2.9 trillion (approximately EUR 457 billion and USD 511 billion).

Additionally, 38 transactions were realized between Turkish and foreign companies, with a total value of TL 21.9 billion (approximately EUR 2.7 billion and USD 3.1 billion), and there is a decrease in the number of such transactions compared to 2019, where 51 transactions were realized between Turkish and foreign companies, despite an increase in the total value of the transactions compared to 2019, which was indicated as TL 19 billion (approximately EUR 3 billion and USD 3.4 billion).

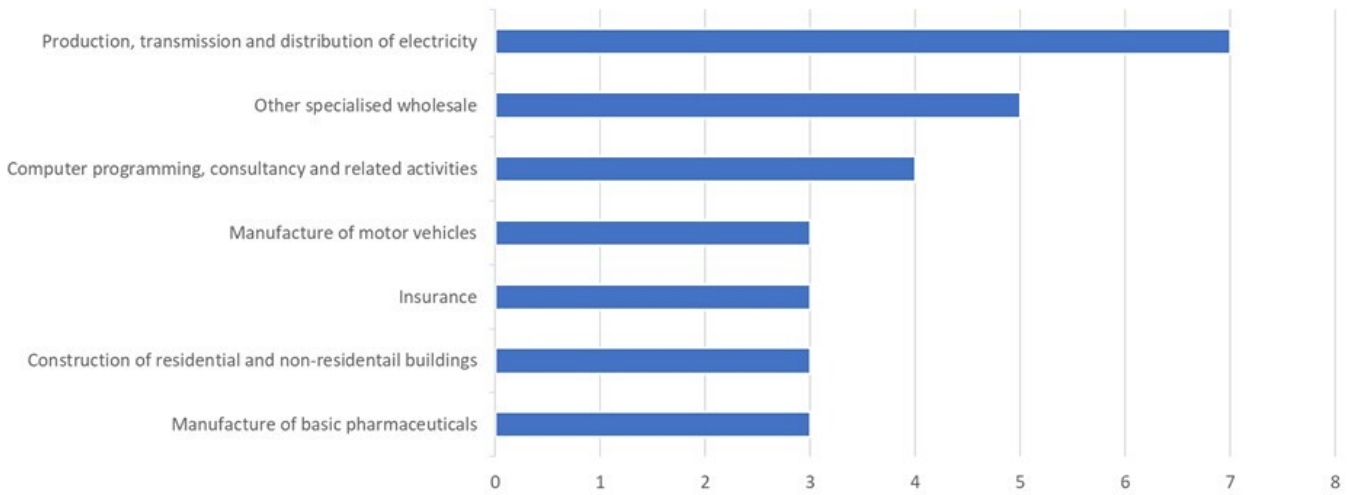
The figures in terms of the number of transactions provided above is demonstrated within the figure below:



The ranking of foreign investors (in terms of transactions in 2020) demonstrates that Germany was leading with 5 transactions. Luxembourg and United Arab Emirates followed Germany each with 4 transactions, and subsequently, U.S.A. followed them with 3 transactions. Although Japan was leading with 7 transactions in 2019, only one transaction includes foreign investors from Japan. Similarly, France had followed Japan with 5 transactions in 2019, whereas there were no transactions in 2020 including French investors. Also, no investors from UK, Bermuda, China, Spain, and Norway invested to Turkish companies.

In terms of the distribution of the number and value of the transactions in 2020 based on their field of activities, as is in 2019, most of the M&A transactions were realized in the area of “production, transmission and distribution of electricity” with a number of 7 transactions and a total value of TL 1.4 billion (approximately EUR 174.3 million and USD 199.7 million) corresponding to 25.2% of the total value of the transactions in Turkey in 2020. Transactions concerning other specialised wholesale is ranked as the second sector with a number of 5 transactions, despite having a higher transaction value of TL 3.7 billion (approximately EUR 460.7 million and USD 527.8 million). The most active sectors in terms of the number of transactions are illustrated in the figure below:

Most Active Sectors in terms of the Number of Transactions in 2020



Finally, only 3 of the transactions in 2020 were taken into a Phase II review, 2 of which has been cleared based on the commitments submitted and one of them was rejected by the TCA. Based on the TCA’s official website, the merger between Fiat Chrysler Automobiles N.V. and Peugeot S.A. was granted conditional approval through the TCA’s decision dated 30.12.2020 and numbered 20-57/794-354. Although it is understood that the other transactions subject to Phase II review concern (i) the acquisition by RHI Magnesita GmbH of Kümaş Manyezit Sanayi A.Ş.² and (ii) the acquisition by Terminal Investment Limited Sàrl of Marport Liman İşletmeleri Sanayi ve Ticaret A.Ş.³, the TCA’s official website does not have any news on the conclusion of those cases.

1. The figures in EUR and USD in this article are calculated at the average buying rate of exchange of the Central Bank of Turkey. For 2020, this rate was EUR 1 = TL 8.03 and USD 1 = TL 7.01 and for 2019, this rate was EUR 1 = TL 6.35 and USD 1 = TL 5.67.

2. The relevant transaction was taken into a Phase II review through the TCA’s decision dated 06.02.2020 and numbered 20-08/89-M.

3. The relevant transaction was taken into a Phase II review through the TCA’s decision dated 31.10.2019 and numbered 19-37/555-M.