

## **The CNMC approves the acquisition of Ercros by Esseco with conditions**

- The transaction, notified on June 28, 2024, has been authorized in the second phase.
- This acquisition may pose risks to competition in the markets for potassium hydroxide (solid and liquid) and potassium carbonate.
- Therefore, its approval is subject to compliance with a series of conditions due to the lack of commitments presented by the parties.

**Madrid, July 21, 2025.-** The National Commission on Markets and Competition (CNMC) agreed on July 15, 2025, to authorize the Esseco / Ercros concentration ([C/1479/24](#)) subject to compliance with a series of conditions, given the existence of risks to competition in the markets and the lack of commitments presented by the parties.

This transaction involves the acquisition of exclusive control of Ercros by Esseco through an unsolicited public takeover bid (OPA) submitted on June 27, 2024.

During its analysis, the CNMC considered the context of the relevant markets, which are highly concentrated, where the parties are the two main operators and close competitors, with access to the two most competitive supply sources in terms of price, quantity, and supply stability, while the rest of the competitors, whether real or potential, lack the capacity or incentives to exert competitive pressure on the resulting entity.

### **Market for potassium products (liquid KOH, solid KOH, and K<sub>2</sub>CO<sub>3</sub>)**

The economic sector affected by the transaction is the manufacturing of basic organic and inorganic chemical products, specifically the markets for potassium hydroxide (KOH), in solid and liquid states, and potassium carbonate (K<sub>2</sub>CO<sub>3</sub>), where the parties overlap at the national level.

In all markets, horizontal overlaps exceed 80% in volume and 70% in value. As a result, the resulting entity would be far ahead of its main competitors.

Given the absence of domestic production to meet the demand for these products, except for a small producer of liquid KOH, access to competitive supply sources largely determines the ability to compete in the market.

In this regard, Esseco is a vertically integrated operator with significant production capacity in Italy, while Ercros has an exclusive supply agreement with the world's leading manufacturer, the Korean group UNID.

If the transaction is carried out, the resulting entity would hold a near-monopoly position in the three analysed markets, far ahead of the rest of the competitors.

### **Conditions imposed by the CNMC**

The CNMC Council has authorized the transaction subject to the following conditions:

1. Esseco is required to terminate the supply contract with the Korean group UNID to purchase or import KOH (solid and liquid) and K<sub>2</sub>CO<sub>3</sub>, directly or indirectly, to the Iberian Peninsula. Additionally, Esseco may not sign new agreements with

UNID for the supply of these three potassium products for the next five years if the destination is, directly or indirectly, the Iberian Peninsula.

2. Esseco is required not to impose or negotiate exclusivity conditions with distributors of potassium products in the Iberian Peninsula to prevent competitors assuming the contract with the Korean group UNID from being hindered in accessing these distributors. This obligation will be in effect for five years from the closing of the transaction.

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