

The acquisition of Endesa by Gas Natural: an antitrust perspective

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Abstract-

Does the project of acquisition of Endesa, one of the two largest Spanish electricity producers, by Gas Natural, the natural gas Spanish incumbent, raise risks of anticompetitive effects? What remedies may eliminate them, if any? Spanish Authorities have to give answer to both questions to clear or prohibit the transaction since European Commission stated that the merger falls outside its jurisdiction. According to Spanish law, several aspects have to be considered in reviewing a merger in the energy sector, including the effects on investments. Our article, however, only addresses the effects on consumer surplus. In other terms, we discuss the case from a purely modern antitrust perspective: will the consumer surplus likely decrease post merger? Section 1 provides an overview of the potential vertical and horizontal effects of gas-electricity mergers and acquisitions. Section 2 focuses on remedies. It explains why merger controls must be more cautious and stringent in electricity than in other sectors.

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