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MERGER TASK FORCE CANNOT KEEP ON WITH INCREASED WORKLOAD

Götz Drauz, the Director of the Merger Task Force (MTF) of the European Commission, has publicly acknowledged that the current system of EC merger review is under considerable strain and that, unless its resources are increased, the MTF may need to cut the number of deals it is reviewing or lengthen its review procedures.¹

Mr. Drauz admitted also that, because of the increase in the number and complexity of notifications (from 60 in 1992 to 292 in 1999, 10 of which were Phase II proceedings) and its lack of manpower, the MTF is getting around the strict timetable imposed on the merger review process by (i) declaring notifications incomplete, (ii) stopping the clock on the review, (iii) requesting additional information, and (iv) putting off pre-notification meetings.

Companies should be aware therefore that, under current conditions and until, if ever, sufficient additional resources are provided, (Mr. Drauz estimates that the MTF needs 50 per cent more officials than the 42 currently employed), an EC merger filing might face a prolonged review and cumbersome requests for information.

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¹“Brussels’ merger task force overstretched” by Deborah Hargreaves, published in the Financial Times of 13 April 2000.