Mine the Gap

Nickel probe brings EU industry resilience into merger control

25 September 2026

On 16 September 2026, the European Commission (Commission) informed it issued a Statement of Objections concerning the proposed acquisition of Anglo American's Brazilian nickel business by the Chinese company MMG Limited (MMG). It set out the Commission's preliminary view that the deal may threaten European access to 'low-carbon ferronickel', a key alloying material used in stainless-steel production.

Although a final decision is only expected in November and parties may still offer remedies, the case already signals a clear stance by the Commission in support of broader EU policy objectives on industrial resilience and safeguarding critical supply chains.

The decision

Following an in-depth investigation opened in November 2025, the Commission found that the market for 'low-carbon ferronickel' is highly concentrated and that European customers have limited alternative sources of supply. Although neither the parties nor the target assets are based in the EU, the Commission is concerned that the transaction could reduce the availability of low-carbon ferronickel imported by European stainless-steel producers.

This is not a conventional horizontal-overlap concern, as MMG does not currently produce nickel. Instead, the Commission is examining whether the change of control could lead to a change of incentives, enabling MMG to divert the target's output away from European customers and towards stainless-steel producers affiliated with China's State-owned Assets Supervision and Administration Commission (SASAC).

Industrial Resilience

The case is framed through established merger-control concepts—market power, incentives to divert supply and price effects—but the Commission links the potential harm to the resilience of European stainless-steel producers. At the heart of these concerns lie key objectives of the EU's industrial policy: reducing strategic dependencies, strengthening the resilience of the Single Market, supporting industrial production and accelerating decarbonisation.

The European Steel Association (EUROFER) has welcomed this approach, arguing that access to imported low-carbon ferronickel is essential to competition, decarbonisation and Europe's industrial autonomy and, should the transaction be approved, calling for robust and lasting structural safeguards rather than purely contractual commitments.

Product definition and sustainability: distinct market for low-carbon ferronickel?

The competition concerns centre on access to 'low-carbon ferronickel'. According to EUROFER, European stainless-steel producers depend on this lower-carbon input to meet their decarbonisation obligations. In fact, European stainless-steel producers are operating under heavy regulatory pressure to lower greenhouse gas emissions to comply with the EU's strict climate goals and the Carbon Border Adjustment Mechanism (CBAM).

The public materials do not establish that the Commission has definitively identified a separate product market based solely on carbon footprint. They do, however, indicate that the Commission is assessing 'low-carbon ferronickel' as a differentiated and strategically important input whose supply conditions may differ from those of conventional ferronickel. If the final decision is published, the case may therefore provide useful guidance on whether, and under what circumstances, environmental attributes can influence market definition by affecting customer demand and substitutability.

What should dealmakers and EU businesses watch for?

This case shows that a deal may attract close EU scrutiny even in the absence of a horizontal overlap between the parties and where both the purchaser and the target assets are located outside the EU. More broadly, the case signals the Commission's willingness to use the EU merger-control framework in support of the Union's broader resilience objectives in strategic sectors.

For EU businesses in these sectors, closely monitoring foreign-to-foreign transactions and bringing potentially relevant cases to the Commission's attention at an early stage may support effective merger-control enforcement.

For dealmakers worldwide, it underscores the importance of identifying and addressing potential EU antitrust exposure at an early stage of negotiations. In competitive sale processes, the regulatory profile of prospective buyers—including their ownership links, downstream interests and potential incentives—may therefore be material to execution risk. In the present case, reports that a Turkish bidder was ultimately outbid by MMG highlight why sellers may wish to weigh regulatory risk alongside price and other commercial terms when selecting a preferred bidder.

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BLOMSTEIN continues to monitor the Commission's merger-control practice. If you have any questions, Anna Blume Huttenlauch, Ana Carolina Vidal and the entire competition team would be pleased to assist you.

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