

**COMPLETED ACQUISITION BY BRITISH SALT LIMITED OF NEW CHESHIRE
SALT WORKS LIMITED**

Terms of reference

1. Whereas in exercise of its duty under section 22(1) of the Enterprise Act 2002 ("the Act") to make a reference to the Competition Commission ("the CC") the Office of Fair Trading ("the OFT") believes that it is or may be the case that-

(a) a relevant merger situation has been created in that:

(i) enterprises carried on by or under the control of British Salt Limited have ceased to be distinct from enterprises carried on by or under the control of New Cheshire Salt Works Limited; and

(ii) as a result, the condition specified in section 23(3) and/or section 23(4) of the Act prevails or prevails to a greater extent, with respect to the manufacture and supply of Pure Dried Vacuum (PDV) salt and compacted salt in the United Kingdom; and

(b) the creation of that situation has resulted or may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services, including within the markets for the manufacture and supply of PDV salt and compacted salt in the United Kingdom.

2. Now, therefore, the OFT, in exercise of its duty under section 22 of the Act, hereby refers to the CC, for investigation and report within a period ending on **9 November 2005**, the following questions in accordance with section 35 of the Act-

(a) whether a relevant merger situation has been created; and

(b) if so, whether the creation of that situation has resulted or may be expected to result in a substantial lessening of competition within any market or markets in the United Kingdom for goods or services.

3. In relation to the question whether a relevant merger situation has been created, the CC shall exclude from consideration one of the subsections (1) and (2) of section 23 of the Act if they find that the other is satisfied.



**Sir John Vickers
Chairman
26 May 2005**