

**ANTICIPATED JOINT VENTURE
BETWEEN KEMIRA GROWHOW OYJ AND TERRA INDUSTRIES INC**

**Notice of proposal to accept undertakings pursuant to section 82 of and
Schedule 10 to the Enterprise Act 2002 and public consultation on the
proposed undertakings**

Introduction

1. On 26 January 2007 the Office of Fair Trading in exercise of its duty under section 33(1) of the Enterprise Act referred to the Competition Commission (CC) for investigation and report the anticipated joint venture between Kemira GrowHow Oyj (Kemira) and Terra Industries Inc (Terra).
2. In its report, *Kemira GrowHow Oyj and Terra Industries Inc merger inquiry: a report on the anticipated joint venture between Kemira GrowHow Oyj and Terra Industries Inc* (the Report), dated 11 July 2007, the CC concluded that:
 - (a) the anticipated joint venture between Kemira and Terra would result in the creation of a relevant merger situation;
 - (b) the creation of that situation may be expected to result in a substantial lessening of competition (SLC) in each of the markets for carbon dioxide, nitric acid of 58 to 60 per cent concentration, aqueous ammonia and anhydrous ammonia in the UK;
 - (c) the CC should take action to remedy the SLC and the adverse effects likely to arise from it; and
 - (d) for the purpose of remedying, mitigating or preventing the SLCs and any other adverse effects that might be expected to result from the SLCs Kemira should be required to divest itself of the divestiture package set out in paragraph 15.105 of the Report to a suitable purchaser and give undertakings concerning its existing contract for the supply of liquid CO₂ with Air Liquide UK Limited.
3. The CC has reached agreement with Kemira and Terra as to the terms of draft Final Undertakings to remedy the SLCs. Those draft Final Undertakings are annexed to this Notice.

Notice of proposal to accept undertakings

4. The CC now gives notice of the draft Final Undertakings and invites written representations on them from any person or persons who wish to comment. Representations should reach the CC by Friday 17 August and should be addressed to:

Susan Maunsell
Inquiry Secretary
Kemira/Terra merger Inquiry
Competition Commission
Victoria House
Southampton Row
London
WC1B 4AD
or email: robert.courtney@cc.gsi.gov.uk

5. The CC will have regard to any representations made in response to this notice and may make modifications to the draft Final Undertakings as a result. In the absence of any written representations, or in the event that the CC decides on consideration of representations made not to amend the draft Final Undertakings, the CC proposes to accept the draft Final Undertakings in their present form pursuant to section 82 of the Act. If the CC considers that any representation necessitates changes to the draft Final Undertakings the CC will give notice of the proposed modifications.
6. The undertakings may be varied, superseded or released by the CC under section 82(2) of the Act.
7. This Notice and the draft Final Undertakings will be published on the CC website.



Robert Turgoose
Group Chairman
2 August 2007