



News Release

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CC CLEARS BUCHER/JOHNSTON MERGER

The Competition Commission (CC) has formally cleared the completed acquisition by Bucher Industries AG (Bucher) of Johnston Sweepers Limited (Johnston).

In its final report published today, the CC concluded that it would not be expected to lead to a substantial lessening of competition within the market for outdoor sweepers in the UK. This confirms the verdict of the provisional findings report which was published last month.

Both Bucher and Johnston manufacture outdoor sweepers used to clean areas such as roads, car parks and pavements. The main users of the sweepers are local authorities and companies contracted by them to provide cleansing services. Before the merger Bucher had only a very limited presence in the UK, but was considering possible new distribution arrangements for its sweepers.

Chairman of the inquiry group, Peter Freeman commented:

We looked at whether, in the absence of the merger and assuming Bucher relaunched in the UK, it would be expected to impose a significant competitive constraint on Johnston over the next few years, and did not find that it would. We also looked at whether the merger would weaken competition in the market, and concluded that it would not, as we found that any advantages enjoyed by the merged group were not enough materially to outweigh the effect of current and future market conditions.

In its report the CC noted that during the inquiry it had concerns in relation to the accuracy and completeness of information supplied by Bucher and about compliance with undertakings put in place to prevent further integration of the parties until completion of the case.

The final report is available on the CC web site at: www.competition-commission.org.uk/inquiries/ref2005/bucher/index.htm

Notes for editors

1. The Bucher/Johnston inquiry group consists of Peter Freeman (Group Chairman), John Collings, Richard Holroyd, Alexander Johnston and David Parker.

2. The case was referred by the Office of Fair Trading (OFT) on 6 April 2005 and the CC is required to report by 20 September 2005. The CC had been asked to consider whether the acquisition has resulted or may be expected to result in a substantial lessening of competition within any market or markets in the UK for goods and services. In referring the acquisition to the CC, the OFT drew attention to the possible effects on the market for the supply of truck-mounted sweepers (for outdoor surface cleansing) in the UK.
3. As part of its investigation the CC accepted undertakings from Bucher on 15 April 2005, for the purposes of preventing pre-emptive action. On 27 April 2005 the CC gave consent to a limited transfer of information between the companies which would otherwise have been prevented by the undertakings. On 13 July 2005 the CC issued written directions, under paragraph 5 of the undertakings, requiring Bucher to appoint a Monitoring Trustee in order to secure compliance with the undertakings.
4. The Enterprise Act 2002 empowers the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
5. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
6. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its web site at: www.competition-commission.org.uk.
7. Enquiries should be directed to Rory Taylor (rory.taylor@competition-commission.gsi.gov.uk) or Francis Royle (francis.royle@competition-commission.gsi.gov.uk) on 020 271 0242.