



News Release

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BOC/INEOS MERGER

Statement of issues

The Competition Commission (CC) has published an issues statement as part of its inquiry into the proposed acquisition by BOC Limited (BOC) of the chlorine packaging and distribution business of Ineos Chlor Limited (Ineos).

The CC has been asked to decide whether the acquisition may be expected to result in a substantial lessening of competition (SLC) within any market or markets in the UK for goods or services, including that in which packaged chlorine is distributed in the UK. One use of such chlorine is by the UK water industry for water purification.

The issues statement follows the initial process of gathering information, views and evidence and identifies clearly for all interested parties the specific questions and areas the inquiry is examining. This will form the basis for further information gathering and hearings with other interested parties.

The full issues statement is available on the CC website at www.competition-commission.org.uk/inquiries/ref2008/ineos/index.htm. It examines issues such as:

- (a) market definition;
- (b) the counterfactual: ie what would have happened in the absence of the proposed acquisition;
- (c) the extent of barriers to entry or expansion in the relevant market(s);
- (d) the extent of buyer power in the relevant market(s); and
- (e) the competitive effects of the acquisition.

If the inquiry group (the Group) considers that the acquisition may be expected to result in an SLC, it will consider whether and, if so, what remedies might be appropriate, taking into account any customer benefits that might arise from the acquisition. It will issue a remedies statement, should this be required, at about the time it publishes its provisional findings.

The issues statement should not be seen as implying that the Group has identified any competition concerns—the CC has yet to reach any conclusions on this inquiry. The purpose of making the statement of issues public is to inform all interested parties and give them an opportunity to raise any further points with the CC.

Anyone wishing to comment further on any of the issues raised is requested to do so by 15 July 2008 by email to Michelle.Horan-Cashmore@cc.gsi.gov.uk or in writing to:

Inquiry Manager (BOC/INEOS Inquiry)
Competition Commission
Victoria House
Southampton Row
London
WC1B 4AD

The CC will now continue to gather evidence in this inquiry and will publish its provisional findings according to the administrative timetable available on the CC website.

Notes for editors

1. 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.
2. The BOC/INEOS Group consists of four members: Diana Guy (Group Chairman), Jill Hill, Alexander Johnston and Professor Michael Waterson.
3. 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. It is required to report by 12 November 2008.
4. 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 website at: www.competition-commission.org.uk.
5. Media enquiries should be directed to Siobhan Allen on 020 7271 0242 (email siobhan.allen@cc.gsi.gov.uk).