

Terms of reference and conduct of the inquiry

Terms of reference

1. On 20 February 2007 the OFT sent to the CC the following 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”) in relation to a completed merger the Office of Fair Trading (“the OFT”) believes that it is the case that—

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

(i) enterprises comprising various subsidiaries of Greif Inc¹ and enterprises forming the steel drum and closures business of Blagden Packaging Group, comprising various subsidiaries of Blagden Group NV,² have ceased to be distinct ; and

(ii) as a result the condition specified in section 23(3) of the Act prevails or prevails to a greater extent with respect to the supply in the UK of new large steel drums; 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 the supply of new large steel drums.

2. Now, therefore, the OFT, in exercise of its duty under section 22(1) of the Act, hereby refers to the CC, for investigation and report within a period ending on 6 August 2007 on the following questions in accordance with section 35 of the Act.

¹Greif Belgium BVBA, Greif Bros Canada Inc, Greif France Holdings SAS, Greif International Holding BV, Greif Nederland BV and Paauw Holdings BV.

²Blagden France Holdings SAS, Blagden Packaging NV, Blagden Packaging Tournai NV, Blagden Packaging Femba Ibérica SL, Blagden Packaging Singapore Pte Ltd, Bipol Co Ltd and Bipol Sib Co Ltd and certain assets of Blagden Packaging Nederland BV.

- (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.

(signed) **Brian McHenry**
General Counsel
Office of Fair Trading
20 February 2007

Conduct of the inquiry

2. The reference from the OFT was made on 20 February 2007. We posted an invitation to express views to us on the CC website³ on 21 February. On 8 March, we also posted on the CC website an administrative timetable for the inquiry. This timetable was revised on 24 May.
3. On 26 February, the CC adopted the undertakings Greif had previously given to the OFT. On 30 April, the CC accepted revised interim undertakings from Greif. Copies of these undertakings can be found on the CC website.
4. We sought evidence from customers, competitors, regulators and other parties. We held oral hearings and telephone conversations with a number of the parties. Non-sensitive versions of submissions that we received from third parties and of summaries of conversations and hearings with them can be found on the CC website.

³www.competition-commission.org.uk.

5. In late March we conducted a survey of the views of the parties' customers. A report on the survey can be seen on the CC website. We also conducted a survey of competitors.
6. Also in March, members of the Group, accompanied by staff, visited Greif's plant in Ellesmere Port, Cheshire, and Blagden's plant in Trafford Park, Manchester.
7. We received written evidence from Greif and Blagden, and held two hearings with Greif and one hearing with Blagden. A non-sensitive version of Greif's main submission can be found on the CC website.
8. In the course of the inquiry we sent to Greif and Blagden: a statement of issues; a number of working papers; and notices of provisional findings and of possible remedies. Non-sensitive versions of the provisional findings and of the notice of possible remedies have been placed on the website.