



# News Release

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## COMPLETED ACQUISITION BY HEINZ OF HP FOODS

### Statement of issues

The Competition Commission (CC) has today published an issues statement as part of its inquiry into the completed acquisition of the HP Foods Group by Heinz.

The CC has been asked to decide whether the acquisition may be expected to result in a substantial lessening of competition in the market for the supply of tomato ketchup and brown sauce, barbecue sauce and tinned baked bean and pasta products to retail and food service customers.

The merger was referred by the Office of Fair Trading (OFT) on 26 October 2005 and the CC is required to publish its final report by 11 April 2006.

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 will be examining. This will form the basis for the hearings with Heinz and other interested parties. The full issues statement is available on the CC's website at [www.competition-commission.org.uk/inquiries/ref2005/heinz/index.htm](http://www.competition-commission.org.uk/inquiries/ref2005/heinz/index.htm) and covers issues related to:

- (a) market definition;
- (b) assessment of the competitive effects of the merger, including any effects on entry and buyer power;
- (c) the counterfactual—what would be likely to have happened in the absence of the merger; and
- (d) relevant customer benefits that might arise as a result of the merger

If the Inquiry Group considers that the merger may be expected to result in a substantial lessening of competition, it will consider whether and, if so, what remedies might be appropriate and will issue a remedies statement at a later date. Any relevant customer benefits may be taken into account in determining remedies.

This issues statement should not be seen as implying that the Group has established 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 of these issues and give them an opportunity to raise any further points with the CC.

Anyone wishing to comment on any of the issues set out is requested to do so by 20 December 2005 in writing to:

Tom Muir, Inquiry Secretary  
Heinz/HP Foods merger inquiry  
Competition Commission  
Victoria House  
Southampton Row  
London  
WC1B 4AD

or by email to: [HeinzHP@cc.gsi.gov.uk](mailto:HeinzHP@cc.gsi.gov.uk)

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's web site.

### **Notes to editors**

1. The Enterprise Act 2002 empowers the Office of Fair Trading 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 Heinz/HP Foods Inquiry Group consists of four members: Robert Turgoose (Group Chairman), Chris Goodall, Cosmo Graham and Rob Murray.
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.
3. 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](http://www.competition-commission.org.uk).
4. Media enquiries should be directed to Rory Taylor on 020 7271 0242 (email: [rory.taylor@competition-commission.gsi.gov.uk](mailto:rory.taylor@competition-commission.gsi.gov.uk))