



News Release

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CC PROVISIONALLY CLEARS PAN FISH/MARINE HARVEST MERGER

The Competition Commission (CC) has provisionally cleared the anticipated acquisition by Pan Fish ASA of Marine Harvest NV.

In a summary of its provisional findings published today at www.competition-commission.org.uk, the CC has concluded that the acquisition may not be expected to result in a substantial lessening of competition in the UK market for the supply of farmed Atlantic salmon in the EEA (European Economic Area).

Inquiry Chairman Christopher Clarke said:

We have carried out a comprehensive investigation into this market by speaking to people involved at all levels including salmon farmers themselves, processors, smokers, wholesalers and all the major retailers. The inquiry group has also made a site visit to Scotland to see the salmon farming industry first hand and held hearings in Edinburgh.

Our provisional conclusion is that this acquisition will not significantly reduce competition nor give the merged company the opportunity to significantly raise prices or exploit its control of supply. We've looked particularly at the effect it might have on Scottish salmon production and whether this constituted a separate market.

We found that for many customers, Norwegian salmon is viewed as a good alternative, which would constrain any attempt by the merged company to raise prices for Scottish salmon.

We also felt that the chances of the merged company being able to exploit those customers with a strong preference for Scottish salmon by raising prices are small. If that were to happen, we think it is likely that customers could move a significant amount of their business to alternative providers and make such a strategy unprofitable.

The full provisional findings report will be published by 13 November. The merger was referred by the Office of Fair Trading (OFT) on 6 July 2006 and the CC is required to publish its final report by 20 December 2006.

Anyone wishing to comment on the provisional findings is requested to do so by 4 December 2006 in writing to:

The Inquiry Secretary (Pan Fish/Marine Harvest merger inquiry)
Competition Commission
Victoria House
Southampton Row
LONDON
WC1B 4AD

Or email: pan.fish@cc.gsi.gov.uk.

Notes to 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 Pan Fish/Marine Harvest Group consists of five members: Christopher Clarke (Group Chairman), Christopher Bright, Ivar Grey, Professor Michael Waterson, Jonathan Whitaric.
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 website at: www.competition-commission.org.uk.
4. Media enquiries should be directed to Rory Taylor on 020 7271 0242 (email: rory.taylor@cc.gsi.gov.uk).