



# News Release

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## EMAP/ABI BUILDING DATA INQUIRY

### Statement of issues

The Competition Commission (CC) has today published an issues statement as part of its inquiry into the acquisition by Emap plc of ABI Building Data Limited. 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 Emap and other interested parties.

The full issues statement is attached at the end of this release and raises issues concerning:

- (a) definition of the relevant markets;
- (b) assessment of the competitive issues of the merger;
- (c) the counterfactual—what would have happened in the absence of the merger;
- (d) remedies—if the inquiry group considers that the merger may be expected to result overall in a substantial lessening of competition, it will consider whether and, if so, what remedies might be appropriate, issuing a further statement at a later date; and
- (e) any customer benefits that might arise from the merger; these would be taken into account in considering any remedies.

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. Information about the reference is available on the CC's web site—[www.competition-commission.org.uk](http://www.competition-commission.org.uk). Anyone wishing to comment on any of the issues set out below is requested to do so by 15 September 2004 in writing to:

Tom Muir  
Inquiry Secretary  
Emap/ABI  
Victoria House  
Southampton Row  
London  
WC1B 4AD

or by email to:

[tom.muir@competition-commission.gsi.gov.uk](mailto:tom.muir@competition-commission.gsi.gov.uk)

The inquiry was referred by the Office of Fair Trading (OFT) on 1 July 2004. The CC is considering whether the proposed acquisition will result in a relevant merger situation and, if so, whether its creation may be expected to result in a substantial lessening of competition within the markets for the supply of construction project information and contact data. The CC is required to publish its final report by 15 December 2004.

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 at [www.competition-commission.org.uk/inquiries/current/abi/index.htm](http://www.competition-commission.org.uk/inquiries/current/abi/index.htm).

#### **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 CC has a 24-week period, to 15 December 2004, 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 can be obtained from the CC's web site at: [www.competition-commission.org.uk/inquiries/current/abi/index.htm](http://www.competition-commission.org.uk/inquiries/current/abi/index.htm).
4. Enquiries should be directed to Francis Royle, Press Officer, 020 7271 0242 or Rory Taylor on 020 7271 0488/[rory.taylor@competition-commission.gsi.gov.uk](mailto:rory.taylor@competition-commission.gsi.gov.uk).
5. The full text of the OFT's referral of this case can be found on the OFT web site at [www.offt.gov.uk](http://www.offt.gov.uk).

# EMAP/ABI BUILDING DATA MERGER

## Issues statement

The issues that the Competition Commission intends to consider are as follows.

### Market definition

1. The Group would like to explore the appropriate definition of the economic markets affected by the merger (the relevant market(s)), in particular:
  - (a) whether there are distinct market segments relating to construction sales and marketing services (CSMS), including, in particular, whether there are distinct markets for construction sales and marketing information services (CSMIS), and for project information and contact data (PICD);
  - (b) whether the relevant market or markets should be defined as national, regional or sub-regional; particularly in view of whether customers in any different markets or market segments mainly require information for the UK as a whole or for a particular area;
  - (c) whether there is any other market segmentation that should be taken into account, such as for standard or bespoke services, or for different sectoral interests.

### Assessment of the competitive effects of the merger

2. Against this background, the Group would like to explore the possible competitive effects of the merger within each of the relevant markets identified, in particular:
  - (a) whether, or to what extent, existing suppliers of services in the relevant market(s) face competition from other actual or potential suppliers in the current market(s); and whether there are significant barriers to entry in the current market(s);
  - (b) whether there are identifiable trends in the development of the relevant market(s) or technology that might affect competition in the foreseeable future, including any effects on the possibility of new entry;
  - (c) the extent to which customers have alternative suppliers available for the relevant services, and the characteristics, in addition to price, that make those alternatives more or less attractive for different customers (for example, accuracy, comprehensiveness, timeliness and specific relevance of information); also, how essential the relevant services are to customers, what alternatives they have to the relevant services, and whether these factors affect buyer power;
  - (d) the extent to which other factors limit the ability of firms (whether or not they normally provide the relevant services) to start providing them or to widen their offer to include them;
  - (e) whether the merger is likely to create or increase market power in any market in which Emap is active and lead to consequences such as a rise in prices or a reduction in service, support or choice for some or all customers (non-coordinated effects); whether it will affect the ability to price discriminate;

- (f) whether the merger is likely to create or increase coordination between Emap and other suppliers, which would be likely to lead to a rise in prices or reduction in service or choice for some or all customers (coordinated effects);
- (g) whether the merger would adversely affect incentives to innovate in the market or markets, for example through reduction in the development of new services;
- (h) whether, taking account of all the above, the merger may be expected to result overall in a substantial lessening of competition to provide services in the relevant market(s) in the UK or a substantial part of the UK.

### **Counterfactual**

- 3. The Group would like to explore what would be likely to occur in the absence of the merger (the counterfactual), including any alternative developments in the relevant market(s). In particular, the Group is interested in what would have happened in the absence of the merger, whether there is a potential alternative purchaser of ABI Building Data Ltd, and what the effects on the market would be in the event of such a purchase.

### **Remedies**

- 4. If the Group concludes that the merger may be expected to result overall in a substantial lessening of competition, it will consider whether and, if so, what remedies might be appropriate, and will issue a further statement at a later date.

### **Customer benefits**

- 5. In deciding the question of remedies, should this be necessary, the Group may have regard to any relevant customer benefits. The Group would therefore like to explore whether or not any significant customer benefits might arise as a result of the merger, and if so what these benefits are likely to be. In particular, the Group is interested in whether the merger will be likely to lead to lower prices, better quality, or greater choice of services.

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