



THE MONOPOLIES AND MERGERS COMMISSION

Holiday Caravan Sites in Northern Ireland

A report on the supply of pitches for
holiday caravans (other than touring caravans)
on licensed sites in Northern Ireland

*Presented to Parliament by the Secretary of State for Trade and Industry
by Command of Her Majesty
July 1983*

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* These members formed the group which was responsible for the report (see paragraph 1.2).

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CHAPTER 1

Introduction

1.1. On 9 June 1981 the Director General of Fair Trading sent the following reference to the Commission:

Monopoly Reference:

The Supply of Pitches for Holiday Caravans in Northern Ireland

The Director General of Fair Trading in exercise of his powers under sections 9(1), 47(1), 49(1) and 50(1) of the Fair Trading Act 1973 hereby refers to the Monopolies and Mergers Commission the matter of the existence or possible existence of a monopoly situation in relation to the service supplied by or on behalf of the licence-holder of making arrangements for a person to put or keep on land in Northern Ireland a caravan (within the meaning of Part I of the Caravan Sites and Control of Development Act, 1960) other than arrangements by virtue of which the person may occupy the caravan as his only or main residence and other than arrangements by which the person may put or keep a touring caravan on land.

The Monopolies and Mergers Commission shall upon this reference investigate and report in relation to such arrangements on the questions whether a monopoly situation exists by virtue of section 7(1) of the said Act, and, if so:

- (a) in favour of what person or persons that monopoly situation exists;
- (b) whether any steps (by way of uncompetitive practices or otherwise) are being taken by that person or those persons for the purpose of exploiting or maintaining the monopoly situation and, if so, by what uncompetitive practices or in what other way;
- (c) whether any action or omission on the part of that person or those persons is attributable to the existence of the monopoly situation and, if so, what action or omission and in what way it was so attributable; and
- (d) whether any facts found by the Commission in pursuance of these investigations operate, or may be expected to operate, against the public interest.

The 'licence-holder' means a person who has applied for a site licence under section 3 of the Caravans Act (Northern Ireland) 1963 in accordance with the provisions in the Caravan Sites (Licence Applications) Order (Northern Ireland) 1963 and to whom such licence has been granted.

The Commission shall report upon this reference within a period of eighteen months from the date hereof.

(Signed) GORDON BORRIE
Director General of Fair Trading
9 June 1981

The period for completing the report was extended to 8 June 1983 by direction of the Secretary of State for Trade under section 55(2) of the Fair Trading Act 1973.

1.2. The Chairman of the Commission, acting under section 4 of the Fair Trading Act 1973 and paragraph 10(1)(a) of Schedule 3 thereto, directed on 10 June 1981 that the functions of the Commission in relation to the reference should be discharged through a group consisting of six members of the Commission with himself as chairman. He subsequently appointed Sir Alan Neale, a member of the group, to act as chairman of the group with effect from 22 March 1982. The names of the members who then formed the group are indicated in the list of members which prefaces this report.

1.3. Notices inviting interested parties to submit evidence to the Commission in relation to the reference were placed in:

Belfast Telegraph

Irish News

Irish Newsletter

1.4. We sought written evidence from licence-holders of holiday caravan sites in Northern Ireland, excluding only those who had pitches for fewer than 25 caravans. We received replies from 36 licence-holders whose sites contained, in aggregate, over 83 per cent of all licensed pitches for static holiday caravans. We also invited and received written evidence from the Department of the Environment for Northern Ireland, the various borough and district councils in Northern Ireland, the National Caravan Council Limited and the National Federation of Site Operators Limited, the Northern Ireland Consumer Council, the Northern Ireland Caravan Owners' Association, 21 British caravan manufacturers and three companies employed by caravan distributors in Northern Ireland to deliver supplies from mainland manufacturers. A number of private individuals also submitted written evidence. The Confederation of British Industry, the Trades Union Congress, the Northern Ireland Committee of the Irish Congress of Trades Unions, the Northern Ireland Tourist Board, the British Tourist Authority, the Consumers' Association and the Caravan Club were all invited to give evidence but they did not wish to do so.

1.5. We held a number of hearings, some of which took place in London and some in Northern Ireland, where we also visited several holiday caravan sites. Those witnesses who attended hearings were Mr G A Connell, Managing Director of Orchard Caravans Limited; Mr T J Turkington, Mr J A Kennedy and Mr A A Turkington; Mr D Colwell; and representatives of the Department of the Environment for Northern Ireland, the Northern Ireland Consumer Council, the Northern Ireland Caravan Owners' Association, Cosalt Holiday Homes Limited and Tudor Caravans Limited. In addition, members of the Commission's staff interviewed representatives of ABI Caravans Limited and visited several holiday caravan sites in Northern Ireland.

1.6. In June 1982 we provisionally concluded that a complex monopoly situation existed, as defined in sections 7(1)(c) and 7(2) of the Fair Trading

Act 1973, and we so informed the main licence-holders of holiday caravan sites who might be regarded as involved in it. We notified them of the grounds for this provisional conclusion and of the questions which we should need to consider when assessing the effect on the public interest of the matters found in the course of our investigation. All these licence-holders made written representations to us, and we held two hearings—one with Orchard Caravans Limited and one with Mr T J Turkington, Mr J A Kennedy and Mr A A Turkington—at which these matters were discussed. The latter hearing was also attended by Mr J L Cockcroft, a representative of the Northern Ireland branches of both the National Caravan Council Limited and the National Federation of Site Operators Limited. We also received joint written representations from the main bodies of the National Caravan Council Limited and the National Federation of Site Operators Limited, and representatives of both organisations subsequently attended a hearing.

1.7. We are grateful for the assistance given to us by all those who provided evidence for our inquiry. We also wish to express our gratitude to the staff of the former Department of Commerce for Northern Ireland (now part of the Department of Economic Development) for the help they gave us in carrying out our programme of hearings and visits in Northern Ireland.