

APPENDIX 1.1  
(referred to in paragraphs 1.1 and 6.1)

**Background information**

1. On 27 February 1990 the Department of Trade and Industry sent to the MMC the following reference:

Whereas it appears to the Secretary of State that it is or may be the fact that merger situations qualifying for investigation, as defined in section 64(8) of the Fair Trading Act 1973 ('the Act'), have been created in that:

- (a) enterprises carried on by or under the control of Westwood Engineering Limited have at a time or in circumstances falling within section 64(4) of the Act ceased to be distinct from enterprises carried on by or under the control of Ransomes plc (incorporated in the United Kingdom);
- (b) enterprises carried on by or under the control of Laser Lawnmowers Limited have so ceased to be distinct from enterprises carried on by or under the control of Ransomes plc; and
- (c) as a result, in each case, the condition specified in section 64(2) of the Act prevails, or does so to a greater extent, with respect to the supply in the United Kingdom of ride-on domestic grass-cutting equipment:

Now, therefore, the Secretary of State, in exercise of his powers under sections 64, 68(4) and 69(2) of the Act, hereby refers these matters to the Monopolies and Mergers Commission for investigation and report within a period ending on 29 May 1990.

In relation to the question whether a merger situation qualifying for investigation has been created, the Commission shall exclude from consideration one of paragraphs (a) and (b) of section 64(1) of the Act if they find the other satisfied.

27 February 1990

*(Signed)* CATHERINE BELL  
*An Assistant Secretary of the  
Department of Trade and Industry*

2. On 28 February 1990, in a press release announcing the reference, the Department stated that there were issues of competition in the United Kingdom market for domestic mowers which deserved investigation by the MMC and noted, in particular, the apparently high share for domestic ride-on mowers of the merged company and the possible effects of the merger on the distribution of other types of domestic mower.

3. The composition of the group of members of the MMC which was responsible for the present investigation and report is shown in the list of members in the preface.

4. A notice inviting evidence was placed in the *Financial Times* on 7 March, *Garden News* on 14 March, *Grass Machinery and Power Equipment Specialist* on 14 March, *Garden Machinery Retailer* on 16 March, *Garden Trade News International* on 21 March, *Country Life* on 29 March and *Garden Centre Manager* on 30 March.

5. In addition we sought evidence and views from manufacturers and importers of mowers, trades unions, trade and other associations, dealers and other interested parties.

6. We received written submissions from Ransomes and held a hearing with the company. We visited the company's Plymouth site. We also held hearings with a trade association and other interested parties.

7. We are grateful to British Embassies in Western Europe for the information which they most efficiently and promptly provided.

8. We thank all those who helped with our inquiry, and in particular Ransomes.