

The reference and conduct of the inquiry

1. On 7 September 2000 the Department of Trade and Industry sent the CC the following reference:

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

(a) enterprises carried on by or under the control of Interbrew SA have within the four months preceding the date of this reference ceased to be distinct from enterprises carried on by or under the control of Bass PLC (a body corporate incorporated in the United Kingdom); and

(b) the value of the assets taken over exceeds £70 million.

Whereas the said arrangements result in a concentration with a Community dimension within the meaning of Council Regulation (EEC) no 4064/89 of 21 December 1989 on the control of concentrations between undertakings (“the Regulation”); and

Whereas the Commission of the European Communities has, pursuant to Article 9(3)(b) of the Regulation, referred the case to the competent authorities of the United Kingdom:

Now, therefore the Secretary of State, in exercise of his powers under sections 64 and 69(1), (2) and (4) of the Act, hereby refers to the Competition Commission (“the Commission”), for investigation and report within a period ending on 6 December 2000, the following questions:

(i) whether a merger situation qualifying for investigation has been created as a result of the matter described in paragraph (a) above; and

(ii) if so, whether the creation of that situation operates, or may be expected to operate, against the public interest.

In relation to the question in paragraph (i) above 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.

In relation to the question in paragraph (ii) above, the Commission shall limit their consideration to such elements in, or possible consequences of, the creation of that situation which relate to the production and supply of beer in the United Kingdom.

7 September 2000

(signed) ANN EGGINGTON
*An official of the
Department of Trade and Industry*

2. The composition of the Group of members responsible for the present investigation and report is indicated in the list of members in the preface.

3. Notices inviting interested parties to submit evidence to the CC were placed in *Brewers' Guardian*, *Brewing & Distilling International*, *The Brewer* and *The Financial Times*.

4. Written and oral evidence was provided by: Interbrew and other brewers; pub chain operators and wholesalers; retailers; trade associations; trade unions; government departments and councils; and other interested parties.

5. In October 2000, on the basis of this information we gathered, we sent an issues and remedies letter to Interbrew, and published a Statement of Issues and Remedies, reproduced in Appendix 2.1.

6. Some of the evidence submitted to us during the course of the inquiry was of a commercial nature and our report contains only such information as we consider necessary for a proper understanding of our conclusions.

7. We should like to thank all those who assisted in our inquiry, particularly Interbrew.