

Anticipated Joint Venture between Lafarge and Anglo American

We are interested in the proposed joint venture in the following ways:

- (a) as a competitor of both Tarmac (Anglo American) and Lafarge in a number of local markets in England and Scotland for the supply of aggregates, ready mixed concrete, asphalt and surfacing services; and
- (b) as a customer of Tarmac for the purchase of aggregates; and
- (c) as a customer of Lafarge for the purchase of aggregates and cement.

We have no objection, in principle, to the proposed joint venture and do not believe that it will result in a lessening of competition at a national level. There may, however, be some local markets in which it will have an effect which the Competition Commission ought to investigate further. The markets that we suggest merit particular review, based on the Competition Commission's approach to similar issues in previous cases, are limestone aggregates in Derbyshire and sand and gravel in the Home Counties. In these markets, as a customer, we believe that the merger would result in a concentration of supply which could have an adverse effect on competition. However, we would expect that such effect could be satisfactorily remedied by the divestment of one or more of the joint venture's production facilities.