

**From:** Julian Clapp  
**Sent:** 15 October 2013 09:24  
**To:** Robin Kunduchaudhuri  
**Cc:** Aggregates  
**Subject:** RE: Response to CC report on the cement, rmx and aggregates industry

We refer to the CC report on the cement, aggregates and concrete industry and the recently announced proposed remedies.

In principle, the proposed remedies appear reasonable and satisfy the issues identified by the Competition Commission.

However, there are two issues that we believe need further consideration.

Firstly, the proposal that ensures a purchaser of the cement plant at Tunstead or Cauldon can supply 15% to its own requirements.

This will guarantee a degree of sales for the new owner of the cement plant, but has further consequences which need to be considered.

Lafarge Tarmac will be keen to hold onto its rmx volumes, having already recently had to dispose of 175 rmx plants. [✂]

[✂] The proposed remedies are trying to encourage new companies to enter the industry. However, we believe that the proposed remedies as they are at the moment, will result in a readjustment of market shares amongst the existing companies.

[✂]

Secondly, we believe that the possibility of Aggregate Industries buying the cement plant needs to include an understanding of the effects on concrete products companies. Aggregate Industries is a major producer of concrete products. It is one of the top three companies producing building blocks, decorative paving, decorative walling, flooring, concrete block paving and kerbs. At the moment, concrete products companies can purchase cement from Lafarge Tarmac - which does not produce concrete products. [✂]

[✂] Until now, the concrete products industry has not been affected by the current study. However, the likelihood of the cement plant being operated by Aggregate Industries will impact on them. [✂]

Our recommended remedy is: 'any company involved in both the supply (not production) of cement and ready mixed concrete in Great Britain is not allowed to purchase the cement plant'. This would still allow [✂] and others with no interests, to bid. [✂]

[✂]

Regards,

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