



News Release

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COMPETITION COMMISSION REQUIRES CLINICAL WASTE SELL OFF

A clinical waste firm will be required to sell off at least part of a competing business it had acquired, following a ruling by the Competition Commission (CC).

In its final report published today at www.competition-commission.org.uk the CC concluded that Stericycle International LLC's completed acquisition of Sterile Technologies Group Limited (STG) may be expected to result in a substantial lessening of competition in the market for healthcare risk waste requiring high temperature treatment in northern England, the North Midlands, north Wales, the West Midlands and south-east Wales.

This confirms the verdict of the provisional findings report, which was published in October and stated that customers in several parts of the UK would, as a result of the merger, face higher prices for incineration of healthcare risk waste.

Stericycle will now be required to sell all or part of the STG business to a suitable purchaser. The CC will assess the suitability of purchasers according to their ability and incentive to act as an effective competitor. Initially, Stericycle will be allowed to pursue its own proposal, which involves selling STG's incinerators at Salford, Redditch, and its incinerator and alternative technology plant at Wrexham.

If Stericycle fails to do this within an agreed period, then the CC will have the right to appoint an independent divestiture trustee, who will be authorized to sell all or part of the STG business excluding Northern Ireland.

The case was referred to the CC on 28 June 2006.

Notes for editors

1. Healthcare risk waste, which includes waste such as syringes, infectious dressings, some pharmaceutical products, blood products, and anatomical waste, requires incineration or other treatment prior to disposal.
2. In September, the Competition Appeal Tribunal upheld actions by the CC to keep these two firms separate until the conclusion of its inquiry.

3. The Stericycle/STG inquiry group consists of three members: Diana Guy (Group Chairman), John Cubbin and Richard Farrant.
4. The Enterprise Act 2002 imposes a duty on the OFT to refer to the CC completed or proposed mergers for investigation and report which create or enhance a 25 per cent share of supply in the UK (or a substantial part thereof) or where the UK turnover associated with the enterprise being acquired is over £70 million.
5. The CC has a 24-week period in which it is required to publish its report, which may be extended by no more than eight weeks if it considers that there are special reasons why the report cannot be published within that period.
6. Further information on the CC and its procedures, including its policy on the provision of information and the disclosure of evidence, can be obtained from its website at: www.competition-commission.org.uk.
7. Enquiries should be directed to Rory Taylor on 020 7271 0242 (email rory.taylor@cc.gsi.gov.uk).