



News Release

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CC CLEARS NAPIER BROWN ACQUISITION

The Competition Commission (CC) has formally cleared the completed acquisition by Napier Brown Foods PLC (NBF) of James Budgett Sugars Ltd (JBS).

This confirms the conclusions of the provisional findings report, which was published last month.

In its final report, the CC has determined that the merger will not lead to a substantial lessening of competition within the market for the supply of sugar to industrial users in the UK. Although Napier Brown and James Budgett are the two largest non-producing distributors of sugar in the UK, the CC found that market power will still be substantially in the hands of the two UK sugar producers British Sugar and Tate & Lyle.

The inquiry also voiced concerns about a lack of effective competition in the UK sugar market, stemming from the EU sugar regime which, with its system of national quotas and price support, inhibits effective competition.

The final report is published on the CC web site at:

www.competition-commission.org.uk/inquiries/current/napierbrown/index.htm

Notes for editors

1. The inquiry was referred by the Office of Fair Trading (OFT) on 12 October. The CC is required to publish its final report by 28 March 2005.
2. The Enterprise Act 2002 empowers 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.
3. The Napier Brown/James Budgett inquiry group consists of five members: Christopher Clarke (Group Chairman and a Deputy Chairman of the CC), Tony Hadfield, Peter Stoddart, Professor Catherine Waddams and Martyn Webster.
4. 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 web site at www.competition-commission.org.uk.

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