



News Release

50/07

17 August 2007

GREIF/BLAGDEN MERGER CLEARED

The Competition Commission (CC) has formally cleared the completed acquisition by various subsidiaries of Greif Inc (Greif) of the new large steel drum and closures manufacturing business of Blagden Packaging Group (Blagden). It has concluded that the merger would not lead to a substantial lessening of competition in the market for large steel drums in Great Britain. A summary of the final report is available on the CC website at www.competition-commission.org.uk; the full report will be published shortly.

Prior to the merger, Greif was the largest manufacturer of new large steel drums in Great Britain whilst Blagden was the second largest. Large steel drums are the most popular form of rigid large industrial packaging, and are used in a range of industry sectors to package, transport and store a variety of substances.

Shortly before the CC published its provisional findings report in June, the CC found evidence of possible additional new large steel drum production in Belgium and the Netherlands which might provide capacity for increased imports of drums into the UK.

Since publishing provisional findings, the CC has obtained further information about this new capacity and has carried out further analysis. As a result, the CC has concluded that the competitive constraint arising from the new plant in the Netherlands, taken together with the limited competitive constraints that had already been identified, changed the balance of expectation as to whether the merger would lead to a substantial lessening of competition in the market for large steel drums in Great Britain.

Inquiry Group Chairman Diana Guy said:

We did not find this an easy decision. The merger has resulted in the loss of Greif's strongest current competitor and the merged company will account for between 50 and 60 per cent of the market for large steel drums.

However, the evidence we obtained late in the inquiry about a new production facility being built in the Netherlands led us to change our view of the future competitive situation. As a result, we could no longer reach an expectation that the merger would result in a substantial lessening of competition in the market for large steel drums in Great Britain.

Notes for editors

1. The CC is an independent public body, which carries out investigations into mergers, markets, and the regulated industries.
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 Greif/Blagden Inquiry Group consists of four members: Diana Guy (Group Chairman), Jeremy Peat, Professor Mahendra Raj and Jonathan Whiticar.
4. The inquiry was referred to the CC on 20 February 2007. The CC was required to publish its final report by 6 August 2007. On 17 July 2007 the inquiry group announced that it had used its power under Section 39(3) of the Act to extend the period in which the final report could be prepared and published to 1 October 2007. A revised administrative timetable was published which aimed to publish the final report by late August.
5. 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.
6. Enquiries should be directed to Siobhan Allen on 020 7271 0242 (email siobhan.allen@cc.gsi.gov.uk).